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Algeria... \$1.00... Australia... \$2.50... Belgium... \$3.00... Canada... \$3.15... Denmark... \$3.00... France... \$3.00... Germany... \$3.00... Greece... \$3.00... Italy... \$3.00... Japan... \$3.00... Korea... \$3.00... Mexico... \$3.00... Netherlands... \$3.00... Norway... \$3.00... Portugal... \$3.00... Spain... \$3.00... Sweden... \$3.00... Switzerland... \$3.00... Taiwan... \$3.00... Thailand... \$3.00... United Kingdom... \$3.00... United States... \$3.00... West Germany... \$3.00... Yugoslavia... \$3.00...

Iran Charges Iraq With a Gas Attack And Its Grisly Toll

By Patrick E. Tyler Washington Post Service HALABJA, Iraq — More than 100 bodies of women, children and elderly men lay in the streets, alleys and courtyards of this now empty city, victims of what Iran alleges is the worst chemical-warfare attack on civilians in the more than seven years of the Gulf War. Some victims hugged children in silent embraces, others sprawled in doorways. One family lay near a table set for lunch. In another house, the cellar became the death chamber for residents trying to flee the heavier-than-air cloud that seeped down into their refuge to kill them. Outside, the streets were littered with the bloated corpses of cattle and sheep, cats and dogs, all trapped by the chemical burst near the city center. Iraq denies responsibility for what happened in this valley 150 miles (245 kilometers) northeast of Baghdad on March 16 at 2 P.M. when a single warplane appeared from the west and dropped one or more chemical bombs sending a deadly yellow and white cloud through the city, killing hundreds and perhaps thousands of Iraqi residents. Iranian military officials told Western journalists that two Iraq pilots, whose jets were shot down during a fierce battle for the town, had acknowledged that Iraq was responsible for the chemical attack. Halabja survivors said in interviews that they were certain the gas attack had come from an Iraqi warplane, because it had occurred after the battle was over and Iraqi forces had withdrawn or surrendered to the Iranians. Iranian officials asserted that Iraq's military command was punishing the Kurdish population of Halabja for its complicity with Iranian forces. An Iraqi military communiqué said last week that Iraqi forces had long ago abandoned Halabja and did not consider the area important. Whatever happened, the communiqué asserted, was Iran's responsibility. Yet the evidence that the Iraqi Army was in Halabja in strength is plentiful. The gas attack came during a large military offensive by Iranian Revolutionary Guards and Kurdish guerrillas, who have penetrated 30 miles into Iraq and now are dug in along the shore of Lake Dar Bandi Khan, whose dam is a major hydroelectric power source for northeastern Iraq. In Tehran, the head of Iran's war information ministry said Wednesday that Iran "may be forced" to use chemical weapons against Iraq in retaliation for Iraqi chemical attacks. "We hope that the Islamic Republic of Iran will not be



In a photograph from the Iranian news agency, people said to be residents of Halabja, Iraq, gather for transfer to hospitals after an apparent gas attack.

Iran-Iraq Tactics: Fighting for Political Advantage

By Alan Cowell New York Times Service NICOSIA — In sharp contrast to recent practice, the Iran-Iraq war has become focused on offensives far from the major battlefronts on land that Tehran views as decisive in determining the eventual victor. Unlike the fighting since 1984, Western and Arab specialists say, this year has been limited to relatively modest encounters on land and wider assaults on Gulf shipping and on the warring nations' cities. The shift, they say, is designed more to produce diplomatic and political advantage than secure major territorial gain. The result, Western diplomats say, has been a setback for Western efforts to secure an arms embargo against Iraq. The setback, they add, accompanies a sense that the war, which topped Arab agendas only a few months ago, had slipped in importance because of the Palestinian uprising in the Israeli-occupied West Bank and Gaza Strip. For the last four years, the early months of each year have seen major onslaughts by Iran on the southern front around the Iraqi port of Basra. The efforts had been depicted by Tehran as final onslaughts to overthrow the leadership of President Saddam Hussein in Baghdad. After bitter fighting a year ago, Iraq reinforced its defenses around Basra, apparently in anticipation of an Iranian offensive this year. At the time, Baghdad offered a conditional acceptance of a UN Security Council ceasefire plan, but Iran raised objections. In regional diplomacy, Iraq also appeared to be gaining the upper hand when the largely con-

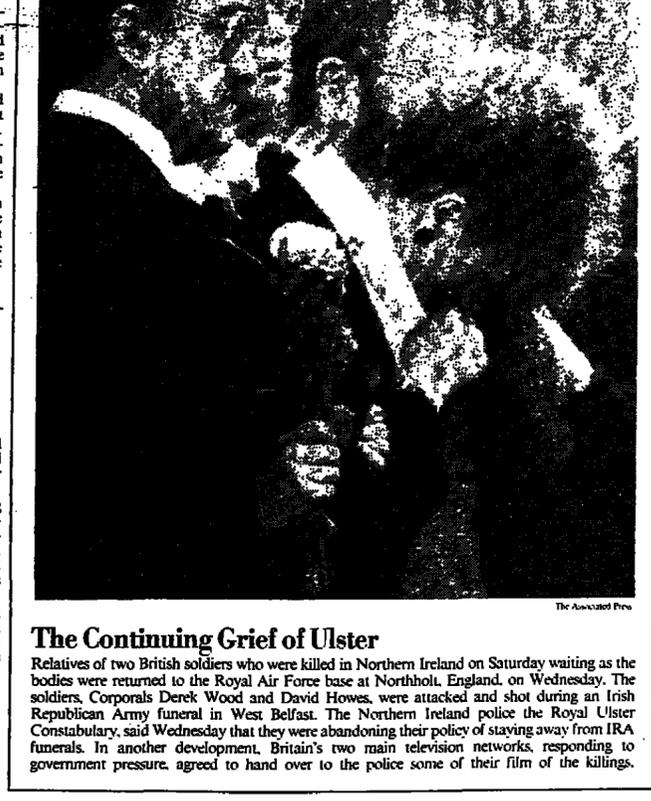
Summit Planned May 29

Reagan to Visit Moscow, but Pact May Not Be Set By Lou Cannon Washington Post Service WASHINGTON — President Ronald Reagan said Wednesday that he would meet with Mikhail S. Gorbachev in Moscow from May 29 through June 2. Mr. Reagan also said he did not know whether it would be possible for U.S. and Soviet negotiators to complete work on a strategic nuclear arms treaty by that time. The president, with the Soviet foreign minister, Eduard A. Shevardnadze at his side, was briefly responding to questions in the White House Rose Garden. Mr. Reagan said in a Feb. 25 interview with The Washington Post that "common sense indicates that the time is too limited" to complete a strategic treaty by the time of the next summit meeting. But Secretary of State George P. Shultz has since said that agreement was possible by the time the two leaders meet in Moscow. Mr. Shevardnadze said Wednesday that "we have set the date, and now we shall take care of good substance, good content for the summit." In answer to a shouted question, he also said "there is progress" toward an agreement for withdrawal of Soviet troops from Afghanistan. The summit dates announced Wednesday were a week later than those disclosed earlier this month by U.S. officials. Administration officials said the United States had pressed for a meeting that would conclude in May, but gave in to the Soviet request for the later dates. Mr. Reagan and Mr. Shevardnadze interrupted a midday round of talks to make the announcement. They then continued their discussions at a working lunch, and Mr. Shevardnadze returned to the State Department on Wednesday afternoon for additional talks. Administration officials said plans called for the president to leave Washington on May 26 and spend three nights in Helsinki before going on to Moscow. He is scheduled to return home on June 3 or June 4 after a stopover of one or two nights in London. These officials said it was still undetermined whether Mr. Reagan will also have a brief stopover in Brussels to report to North Atlantic Treaty Organization leaders before going to London. The summit meeting will be the fourth between the two leaders, who met previously in Geneva, Reykjavik and in Washington in December, when they signed the intermediate nuclear forces treaty eliminating medium- and shorter-range nuclear missiles. U.S. officials have said that a fifth Reagan-Gorbachev summit meeting is possible to sign a strategic arms treaty if it is not ready in time for the Moscow meeting but is

In Nicaragua, Optimism on Truce Talks

Compiled by Our Staff From Dispatches SAPOA, Nicaragua — Sandinist and rebel negotiators resumed their negotiations Wednesday amid optimism that an agreement could bring an extended cease-fire and general amnesty in Nicaragua's six-year war. In Washington, the United States announced that 3,200 U.S. troops in Honduras would begin returning to the United States over the weekend as scheduled. Defense Minister Humberto Ortega Saavedra, brother of President Daniel Ortega Saavedra and leader of the Sandinist delegation at Sapo, said, "We are here to synthesize the proposals put forth by both sides over the last two days in order to reach a final accord that satisfies us all. "Naturally, we hope for the best possible results and for peace in Nicaragua," the defense minister said. On Tuesday, he said that he expected a "concrete agreement" to emerge from the discussions, the first direct talks between the government and the rebels, known as contras. Both sides cited progress on Tuesday after presenting proposals for an extended cease-fire that agreed on some major points. They had already agreed to a truce for the duration of the talks. But as the third day of the talks began, the state-run Voice of Nicaragua radio reported a rebel violation of the truce. The radio said that the U.S.-backed rebels had ambushed an

The Continuing Grief of Ulster



Relatives of two British soldiers who were killed in Northern Ireland on Saturday waiting as the bodies were returned to the Royal Air Force base at Northolt, England, on Wednesday. The soldiers, Corporals Derek Wood and David Howes, were attacked and shot during an Irish Republican Army funeral in West Belfast. The Northern Ireland police the Royal Ulster Constabulary, said Wednesday that they were abandoning their policy of staying away from IRA funerals. In another development, Britain's two main television networks, responding to government pressure, agreed to hand over to the police some of their film of the killings.

Klosk OPEC Decision Bolsters Prices PARIS (NYT) — Crude oil prices moved sharply higher Wednesday following an announcement by OPEC's president, Riwanu Lukman, that the group's price monitoring committee will meet during the first week of April. Markets saw the news as an indication that OPEC would take some action to address weakness in prices. Page 9.

Soviets Urge That 'Every Measure' Be Taken to Prevent Ethnic Protests

By Bill Keller New York Times Service MOSCOW — The Soviet government called on the police and local governments on Wednesday to "take every necessary measure" to prevent further disturbances in two southern republics that have been shaken by ethnic protests. The statement reinforced the widely held conclusion that the government would not grant the territorial demands that animated the largest independent popular movement in the history of the Soviet Union. [In a separate development on Wednesday, Mikhail S. Gorbachev called for a transformation of the country's agricultural system to be led by farms owned by farmers, not by the state. Rafael Popoyan, a literature professor and Armenian nationalist, said a representative of the Armenian Ministry of Internal Affairs, which oversees the police, appeared on television on Wednesday and warned residents not to leave their homes next Saturday or Sunday. "A lot of people are now saying it is not worth it to have the meeting on Saturday," said Mr. Popoyan, referring to a gathering at which protest organizers planned to decide their next steps. "The situation is very tense." Groups of Armenians gathered in the streets on Wednesday but were discouraged from collecting in the central square, where hundreds of thousands of Armenians massed last month, according to Yerevan residents. One resident reported counting 25 truckloads of troops passing through the city. At night, a series of well-known Armenians, including actors and

Growth Braked Sharply in Soviet Bloc Last Year

By Reginald Dale International Herald Tribune Economic growth rates in the Soviet-bloc countries fell sharply last year, braked partly by uncertainty over reform plans. United Nations economists said Wednesday. The Soviet Union's rate of economic growth dropped to 2.3 percent in 1987 from 4.1 percent in 1986, the UN Economic Commission for Europe reported in its annual survey. The East European economies expanded by 3.2 percent, down from 4.6 percent. Average growth for the West European countries slipped from 2.5 percent to 2.25 percent, while growth in North America held steady at 3 percent, the UN commission reported. In Washington, the U.S. government said Wednesday that the nation's economy expanded at a 4.8 percent annual rate in the final quarter of last year, even faster than previously thought. (Page 9.) For the Soviet bloc, "the main reason for disappointing growth in 1987 was a reduction in external demand and contracting or stagnant agricultural production, and smaller than expected efficiency gains," the Geneva-based commission said. The East-bloc countries had failed in their plans to reduce consumption of energy and raw material per unit of output, the report said. It added that "the engineering branch was mainly responsible for shortfalls in the production and delivery of equipment that had been expected to boost efficiency in other branches." Economic reform plans, such as the restructuring, or perestroika, launched by the Soviet leader Mikhail S. Gorbachev, have actually hurt output, the commission said. It noted that in the transitional period before the reforms are fully put in place, enterprises have been caught between the old and new systems. The commission said that the reforms were far-reaching and badly needed, but would not be fully implemented until late in the 1990s. In the meantime, particularly in the Soviet Union, output has been affected by uncertainty resulting from the abandonment of the old, more rigidly planned system, which had worked despite all its deficiencies, the report said. Declining fixed investment from the late 1970s to the early 1980s in many East-bloc countries also had hampered technical and structural change, the survey said. In the six East European countries — Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Romania — individual growth rates ranged from 2 to 5 percent, the survey said. "But in almost all countries, there was a slowdown." The commission's 34 member nations comprise all the European countries, including the Soviet Union, along with the United States and Canada. It is considered one of the leading independent authorities on economic developments in the East bloc. For 1988, growth in net material product, or NMP, was likely to be just above 3 percent for the bloc, the report said. NMP, defined as national product excluding most services and depreciation of capital goods, is the standard measure of output for the centrally planned economies. Keeping up the higher rates of expansion achieved earlier in the 1980s proved much more demanding than was assumed when strategies were adopted for the current 1986-90 planning period, the survey said. Overall output growth in 1986 and 1987 fell short of both the growth rates envisaged in the five-year plans and the actual rates in 1983-85. "Thus a great effort will be needed in 1988-90 to make up for the momentum lost in the second year of the current five-year period," the report said. It said that for some of the Soviet-bloc countries, "the five-year plan targets may already have moved out of reach by the beginning of 1988." With Western demand for East European exports faltering, the Soviet-bloc countries are also facing balance-of-payments problems. The UN commission said that boosting import growth would worsen the countries' current accounts, or widest measure of trade, and require "the acceptance of a

The 'Big Mac' Hits Belgrade

By Reuters BELGRADE — The McDonald's Corp. opened its first fast-food restaurant in Eastern Europe, in the Yugoslav capital, on Wednesday and said it planned to open restaurants in other East bloc countries as well. Company officials said that a McDonald's would open in the next few months in Budapest, that more restaurants would be built in Belgrade and that a deal would soon be concluded for a restaurant in Moscow. "We plan to move step by step, one restaurant at a time, one country at a time," said Glen Cook, the McDonald's executive handling the corporation's European development plans. McDonald's has about 10,000 restaurants in nearly 50 countries. The Belgrade McDonald's is a joint venture with Genex, Yugoslavia's biggest general trading concern.

U.S. Forces Taiwan to Shut N-Plant

By Stephen Engelberg and Michael R. Gordon New York Times Service WASHINGTON — Under pressure from the United States, Taiwan has stopped work on a secret installation that could have been used to obtain plutonium, a main ingredient in nuclear weapons, according to Reagan administration officials. At the insistence of Washington, Taiwan also has shut down its largest civilian research reactor, a Canadian-supplied unit that has been the focus of U.S. concerns about Taipei's nuclear intentions since it was delivered in 1969. Asked for his assessment of Taiwan's intentions, one U.S. official replied: "They weren't doing it for the fun of it." U.S. officials said the effort to build an installation capable of plutonium extraction violated Taiwan's secret commitments to the United States that it would undertake no research for developing atomic weapons. The U.S. officials moved after learning about Taiwan's actions from a top-level informant inside a Taiwanese research institute. The closing of the reactor came shortly after the informant, Colonel Chang Hsien-yi, left Taiwan a few months ago, with what U.S. officials said was the help of the Central Intelligence Agency. Colonel Chang's whereabouts now could not be determined. The CIA declined comment. Officials said it was not clear whether the planned installation to

Sketch of short bouffant evening dress from Yves Saint Laurent's fall-winter showings. Page 4. Visa International will begin testing an electronic credit card with a built-in computer and keyboard. Page 9. Dow Jones Industrial Average: The Dollar in New York: DM 1.6915, Pound 1.857, Yen 126.88, FF 5.746. Up 1.49.

U.S. Tells Israel of Concern

Acts After Threat On Saudi Missiles

By David B. Ottaway
Washington Post Service

WASHINGTON — The United States has expressed its concern to Israel about a statement a senior Israeli official made suggesting his country might strike the intermediate-range Chinese missiles that Saudi Arabia is acquiring, U.S. and Saudi officials said.

In a Sunday interview with the Israeli radio, a close aide to Prime Minister Yitzhak Shamir, Yosi Ben Aharon, said that "the possibility always exists" that Israel might strike at the missile sites.

"We have a reputation that we do not wait until a potential danger becomes an actual danger," he said, according to a translation of the Hebrew text provided by the radio on Tuesday night.

The missiles have a range of more than 1,000 miles — 2,000 for the most sophisticated — and could easily strike Israel.

Saudi officials have said the kingdom wants the missiles because of the widespread use Iran is making of missiles in its war with Iraq. There has been increasing hostility between Saudi Arabia and Iran in the last two years, and Iran has periodically threatened to attack Saudi Arabia for supporting Iraq.

The Israeli radio interview provoked immediate concern and nervousness in Saudi Arabia that Israel might be planning a strike. The Saudis contacted the U.S. government, and the U.S. assistant secretary of state, Richard W. Murphy, called the Israeli ambassador, Moshe Arad, on Sunday night.

"We expressed our concern and said this kind of statement was very unhelpful," a State Department official said Tuesday night.

Israeli officials at first sought to deny Mr. Ben Aharon had made an implicit threat. But the Israeli radio has twice rebroadcast the interview.

The Saudis apparently took the threat seriously because of the surprise, long-range attack Israel launched on an Iraqi nuclear reactor outside Baghdad in June 1981. In addition, Israeli warplanes are also known to have flown along the Saudi western coast and to have entered Saudi airspace.

Mr. Ben Aharon is director-general of the prime minister's office and was involved in Mr. Shamir's wide-ranging talks with top administration officials last week during the prime minister's visit to Washington.

Mr. Shamir is reported to have expressed his deep concern about the Chinese missiles both at the White House last Wednesday and in his talks with Secretary of State George P. Shultz.

Saudi Arabia has "categorically assured" the United States that it does not have, nor intend to acquire, a nuclear capability. And China has assured Washington it will not export nuclear weapons to the Saudi kingdom, according to the State Department officials.

But Israel is reported to be concerned the Chinese CSS-2 surface-to-surface missiles could be fitted with chemical warheads and fired at Israeli airfields or other targets.

The United States has been working to head off any misunderstanding over the missiles among Israel, Saudi Arabia and China while making clear to the Saudi government that it is unhappy the missiles have been introduced into the Arab-Israeli military situation.

Italian Journalists to Strike

The Associated Press

ROME — A nationwide walkout by Italian journalists will close newspapers over the weekend, while broadcast journalists are to begin three days of strikes Thursday.

UN Votes to Resist U.S. On Closing PLO Office

New York Times Service

UNITED NATIONS, New York — The General Assembly on Wednesday overwhelmingly adopted a resolution that "deplores" the United States attempt to close the Palestine Liberation Organization's observer mission.

A total of 148 countries voted for the draft, which states that the U.S. move violates a 1947 pact governing UN rights in New York. The resolution also calls on the United States to enter arbitration with the world body to settle the dispute, as required under the 1947 pact.

Only the United States and Israel voted against the resolution.

Speaking before the vote, the deputy U.S. envoy, Herbert S. Okun, told the assembly that the Reagan administration opposed Congress's adoption of the Anti-Terrorism Act last year, which mandates the closure of the Palestinian offices. But Mr. Okun said Attorney General Edwin Meese 3d believes the act requires him to take legal action to shut the mission.

The Justice Department filed suit against the mission in Federal District Court in Manhattan Tuesday.

An Afghan Rebel Shift To Iran Is Discounted

By Jonathan C. Randal
Washington Post Service

PESHAWAR, Pakistan — As United Nations-sponsored negotiations on the Afghan conflict raise the possibility that Pakistan might shut down the bases here occupied by anti-communist Afghan guerrillas, one guerrilla leader recently visited Iran and another threatened to move operations there.

The guerrilla leaders apparently meant to signal defiant determination to continue fighting the Soviet-backed Afghan government from Iran, in case an eventual UN accord for the pullout of Soviet troops closes their sanctuaries and supply sources in Pakistan.

But Pakistani officials, Western diplomats and some Afghan leaders interviewed in Pakistan discounted any efforts to transfer the base of the Afghan resistance to Iran.

They said Iran shows no discernible desire to grant the Afghan mujahidin, or "holy warriors," major facilities. Also, they said, present policies and centuries-old rivalries between Shiite Moslem Iran and predominantly Sunni Moslem Afghanistan militate against such a course.

Diplomats noted that Iran has refrained from major involvement in the Afghan war, reflecting the top priority Tehran accords to its conflict with Iraq. Tehran is in good terms with so few countries, diplomats argued, that it would not easily compromise its relations with Pakistan by authorizing operations inside Afghanistan that would circumvent Pakistan's agreement to an accord with the Afghan government and its Soviet ally.

Iranian support for anti-Soviet operations inside Afghanistan has

Chirac Rejects Mitterrand's Charges

International Herald Tribune

PARIS — Prime Minister Jacques Chirac struck back Wednesday night at accusations by President François Mitterrand that France risks social upheaval if a conservative wins the presidential elections.

"I would not say that those are the kind of words you should use in a democracy," Mr. Chirac said on television in reply to Mr. Mitterrand's announcement Tuesday that he will be the Socialist candidate.

Mr. Chirac said he was shocked by Mr. Mitterrand's "aggressive" stance.

"Are we in the midst of a civil war as he seems to be saying?" he asked.

The other main candidates of the right, Raymond Barre, a former prime minister, said France is in a strange situation, with its chief of state and its head of government fighting for power.

In the meantime, he asked, "who is looking after the state?"

Mr. Mitterrand said that if he is re-elected, he will designate a prime minister within 24 hours and dissolve parliament if it refuses to go along with his selection.

Mr. Chirac said the president represents an out-of-date party that had hampered France's progress by placing its own supporters in key positions in government and industry. This was something, he said, that his party had not done.

"We speak for the people of all France, not just for the right or the left," he said.

Responding to allegations by the far-right candidate, Jean-Marie Le Pen of the National Front, that Mr. Chirac and Mr. Mitterrand had essentially pursued the same policies for the past two years, Mr. Chirac stated, "I have nothing in common with Mr. Mitterrand. What I have done has been very different from the Socialist options."

The first round of the election will be April 24 with a runoff between the two top candidates May 8.

U.S. and Egypt Move Closer on Arms

Reuters

WASHINGTON — The United States and Egypt have agreed on closer cooperation in arms development, raising Cairo to the same level of military partnership with Washington as Israel and NATO allies, Pentagon officials said on Wednesday.

The officials said Defense Secretary Frank C. Carlucci and his Egyptian counterpart, Abdel-Halim Abu Ghazala, would sign a memorandum of understanding on the agreement at the Pentagon.

Egypt, which depended for years on the Soviet Union for its military equipment, has become one of the closest U.S. allies in the Middle East and one of the biggest recipients of U.S. military aid, Israel and the United States signed a similar 10-year memorandum of understanding at the Pentagon in December.

Sarney Wins a Constitutional Vote

Compiled by Our Staff From Dispatches

RIO DE JANEIRO — A Constitutional Assembly in Brazil has voted in favor of maintaining the country's presidential system of government, apparently bending to pressure from President José Sarney and the armed forces.

The 344-to-212 vote on Tuesday was a major boost for Mr. Sarney, a conservative, and one of the most important political decisions in Brazil since the end of the 1964-85 period of military rule.

Until recently, public-opinion surveys indicated that a majority of the assembly's members favored introduction of a parliamentary system, under which a prime minister chosen by the National Congress, the legislature, would exercise much of the authority now wielded by the president.

The advocates of a parliamentary system had gained converts because of Mr. Sarney's inability to end the economic crisis and his acrimonious verbal clashes with the legislature.

However, in recent weeks, Mr. Sarney and the armed forces, as well as the Socialist opposition leader, Leonel Brizola, had campaigned vigorously against a parliamentary system, arguing that it would contribute to political instability and run counter to popular will.

On another major issue, the Constitution Assembly voted in favor of a five-year term for all future Brazilian presidents.

The length of Mr. Sarney's mandate will be decided in a separate vote.

Mr. Sarney has made the mandate issue the dominant question in Brazilian politics. He wants to govern until 1990, while his political opponents and most of the public favor elections this year.

The armed forces have backed Mr. Sarney, warning that elections in November could threaten the country's transition to democracy. Brazil has not had a direct election for the presidency since 1960. (NYT, Reuters)

Israelis May Extend Reserve Duty

Reuters

TEL AVIV — Israel said Wednesday that it was considering extending military reserve duty on a voluntary basis to help put down the Palestinian uprising in the occupied West Bank and Gaza Strip.

"No decision has been taken, but it is being actively considered," an army spokesman said.

He said that if the plan was approved, the army would ask reservists to volunteer for paid service in the occupied territories for periods of three to six months.

This would be on top of annual compulsory reserve duty, which the army announced last week would be increased to 50 days from 42 as of April 1 to free troops now patrolling the territories for training.

The occupied territories, captured by Israel from Jordan and Egypt in the 1967 Arab-Israeli war, were relatively quiet on Wednesday, and Defense Minister Yitzhak Rabin said on a tour of Gaza that he saw signs of exhaustion among Palestinians.

The Tel Aviv newspaper Ha'aretz reported that 300 of the 700 Palestinians arrested in the last week would be jailed without trial for six months.

Mr. Rabin told a parliamentary committee on Tuesday that Israel was holding 3,000 Palestinians suspected of inciting protests, but Palestinians said the figure was grossly underestimated.

China Eases Rules for Foreigners on Land Control

By Edward A. Gargan
New York Times Service

SHANGHAI — In a move to encourage land reform and create a real estate market, China has begun accepting bids from foreign investors who want to buy long-term leases to develop sites in Shanghai.

Diplomats and members of the foreign business community saw the move as historic because control of land by foreigners has been taboo since the Communist armies marched down Shanghai's Bund in 1949 and declared that all foreign property belonged to the people.

"I declare that the tender of bids for land-use rights in the reform of land use," said Ni Tianzhen, a deputy mayor. "Economic means must apply to the use of land," he said, "so the existing system of land use must undergo reform. Only in this way can the resources of land be more fairly used and distributed."

While there are many foreign-owned or jointly owned enterprises in China and Shanghai, these enterprises rent the tracts they use. In central Shanghai, for instance, the maximum annual rental is about \$3 a square foot (\$32 a square meter).

Mr. Ni maintained that this practice was now obsolete because of the restrictions it placed on investors.

"Land-use rights could not be transferred or used as a mortgage," he said. "It was harmful to the development of a real estate industry. A real estate industry plays an important part in the development of a city's economy."

The invitation for bids was the latest, and a particularly telling, act in a growing land reform movement in China.

Last December, for example, the rights to a chunk of land in Shenzhen — an experimental economic territory adjacent to Hong Kong in which tax rules, labor practices and investment procedures are intended to be significantly more liberal than in the rest of China — were sold to a state-owned property company for development.

But until now the long-term leasing of land rights to foreigners was not permitted.

Land use, like other chapters in the socialist bible, has come under intense scrutiny as China's leadership, propelled by the vision of its senior leader, Deng Xiaoping, tries to jolt the country out of the economic torpor of rigid Soviet-style socialism.

The restructuring of the economy began in China's countryside with the breakup of collective farms and the distribution of land to individual farmers a decade ago. It has seeped into the cities with the legitimization of small-scale and sometimes not-so-small-scale private enterprise.

The guarantees that socialist egalitarianism promised in the past — lifetime jobs, virtually free housing, free medical care and subsidized food — are all under attack as free markets expand their grip on the economy and profit and loss statements become a measure of accomplishment.

One of the last bastions has been property.

While the decision to lease pieces of Shanghai for foreign development is historic, potential investors are skeptical of the timing and need for the practice.

"I don't think anybody will bid on the land," one foreign businessman said. "There isn't any need to buy this, especially when land is leased so cheaply."

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On another major issue, the Constitution Assembly voted in favor of a five-year term for all future Brazilian presidents.

The length of Mr. Sarney's mandate will be decided in a separate vote.

Mr. Sarney has made the mandate issue the dominant question in Brazilian politics. He wants to govern until 1990, while his political opponents and most of the public favor elections this year.

The armed forces have backed Mr. Sarney, warning that elections in November could threaten the country's transition to democracy. Brazil has not had a direct election for the presidency since 1960. (NYT, Reuters)

Israelis May Extend Reserve Duty

Reuters

TEL AVIV — Israel said Wednesday that it was considering extending military reserve duty on a voluntary basis to help put down the Palestinian uprising in the occupied West Bank and Gaza Strip.

"No decision has been taken, but it is being actively considered," an army spokesman said.

He said that if the plan was approved, the army would ask reservists to volunteer for paid service in the occupied territories for periods of three to six months.

This would be on top of annual compulsory reserve duty, which the army announced last week would be increased to 50 days from 42 as of April 1 to free troops now patrolling the territories for training.

The occupied territories, captured by Israel from Jordan and Egypt in the 1967 Arab-Israeli war, were relatively quiet on Wednesday, and Defense Minister Yitzhak Rabin said on a tour of Gaza that he saw signs of exhaustion among Palestinians.

The Tel Aviv newspaper Ha'aretz reported that 300 of the 700 Palestinians arrested in the last week would be jailed without trial for six months.

Mr. Rabin told a parliamentary committee on Tuesday that Israel was holding 3,000 Palestinians suspected of inciting protests, but Palestinians said the figure was grossly underestimated.

WORLD BRIEFS

Israeli Planes Raid Lebanon 5 Times

SIDON, Lebanon (Reuters) — Israeli jets raided targets in southern Lebanon five times on Wednesday, killing at least two persons and wounding 15, security sources said.

They said four planes fired at least 25 rockets and dropped time bombs over the hilltop villages of Abra, Bramiyeh, Sharhabil and Majdayoun near Sidon, 24 miles (40 kilometers) south of Beirut. The attack was the third since March 12 and the fourth on Lebanese territory this year.

The sources said the five consecutive air strikes within an hour were aimed at bases of the Marxist Democratic Front for the Liberation of Palestine and the Fatah Revolutionary Council. The planes also blasted positions of the Sunni Moslem fundamentalist Tabligh movement as well as the Sunni Popular Liberation Army, which controls security in Sidon.

Ford and GM Lose Fight on Hyundai

OTTAWA (Combined Dispatches) — The Canadian Import Tribunal on Wednesday unanimously rejected a complaint by the Ford Motor Co. and General Motors Corp. that Hyundai Motor Co. of South Korea was injuring domestic companies by "dumping" its cars at low prices.

The three-member tribunal panel found, after a four-week hearing that Hyundai had not injured the Canadian operations of the two U.S. automakers and decided that preliminary duties imposed earlier this year on Hyundai's exports to Canada will be refunded. The decision may be appealed.

North American automobile industry sources had hoped that if successful, the complaint might lead to similar action against Hyundai in the United States and help the fight against Japanese imports. (Reuters, AFP)

113 Die as Fire Sweeps Burma Town

RANGOON, Burma (Combined Dispatches) — A fire devastated the remote northern Burma hill town of Lashio, killing 113 people and making more than 20,000 homeless as it swept through a jumble of wooden houses, Burmese officials said Wednesday.

They said it was the worst fire accident in Burma's history. Official sources said strong winds and possibly gasoline stored for the city's black market helped fuel the fire. Damages were estimated at about \$10 million.

There were no immediate independent reports from the town, a word of the fire came from the government-controlled national radio. Lashio, 450 miles (730 kilometers) northeast of Rangoon, is the largest city and business center in the northern Shan states and the seat of the northeast military command. It is a center of black market trade and has a racially mixed population of Burmese, Chinese and members of the Shan minority. (AP, Reuters)

Malaysia Justifies Its Security Arrests

KUALA LUMPUR, Malaysia (UPI) — A Malaysian government report said that officials were justified in imposing a nationwide security crackdown in October and using a law allowing detention without trial. Deputy Home Minister Megat Juid Megat Ayob told Parliament that 45 of them, including the opposition leader Lim Kit Siang, were ordered interred for an initial but renewable two-year period.

The official document blamed an array of politicians, covert Marxist-Moslem "deviations," church workers, social reformists and the press for threatening Malaysia's security and stability by deliberately fomenting racial antagonism between politically dominant indigenous Moslem Malays and the large ethnic Chinese community. From Oct. 27 until Nov. 14, 106 people were arrested and detained under the Internal Security Act, which allows detention without trial. Four newspapers were closed and all political rallies banned, the document said.

For the Record

Jean-Marie Le Pen, the rightist French politician, won 100,000 francs (\$17,400) in a libel suit on Wednesday against Le Canard Enchaîné, a satirical weekly that published in June a photograph of Mr. Le Pen in the rear, with his trousers down. The court ruled that the newspaper had violated the privacy of the leader of the National Front party. (AFP)

An Australian missionary accused of helping the rightist Mozambique rebels was sentenced to 10 and a half years in prison in Mozambique on Wednesday. Ian Grey, 26, a member of a Pentecostal sect based in Malawi, was convicted of rebellion, inciting rebellion, collaborating with an illegal organization and entering Mozambique illegally. An appeal for clemency has been made. (Reuters)

TRAVEL UPDATE

Britain to Change Air Control System

LONDON (Reuters) — The Civil Aviation Authority announced a £2 million (\$38 million) plan Wednesday to make Britain's overcrowded skies safer.

The announcement followed many reports of near-collisions that were leaked to the news media in the past year by controllers who said that the agency was covering up an inefficient and undermanned system.

Under the new system, some control work now done at Heathrow and Gatwick airports would be switched to a control center west of London enabling controllers to handle more traffic in the area.

Strike on Channel Ferries Worsens

CALAIS, France (AFP) — A weeklong strike by French seamen of the British-French Sealink ferry line hardened Wednesday as their officers joined it in Calais and Dunkirk.

As an estimated 850 trucks backed up on both sides of the Channel, facing waits of up to 48 hours, the striking seamen voted to hold out for a seven-week strike disrupting ferry traffic in the English port of Dover were due to resume later Wednesday. However, service to Calais and Boulogne was normal.

Hungry travelers using Heathrow Airport are confronted by gastronomic heroes, including fish pie smelting of compost and chocolate cake reminiscent of savoyard, food experts said Wednesday. Egon Ronay, the restaurant critic who conducted a survey of eating establishments at the airport, said the food some of them offered was "inedible rubbish" fit only for the trash can.

Florence has cut noise and pollution in its narrow streets by half in only a month through its ambitious project of banning most traffic from the city center, officials said Wednesday. (Reuters)

Paris and Seville will be served by four weekly flights starting next week. Spanish officials said Wednesday. The airline Iberia has scheduled direct flights each Monday, Wednesday and Friday, while Air France will cover the route on Saturdays. (UPI)

Smoking will be banned on Northwest Airlines U.S. domestic flights starting next month as a "response to our customers' and employees' requests for an improved flight environment," company officials said Wednesday. The airline also will ban smoking on flights to Canada, Mexico, Jamaica and the Cayman Islands. It is scheduled to begin April 23, the day the U.S. law barring smoking on all domestic flights of two hours or less takes effect. The Northwest ban will not be enforced on trans-Atlantic, trans-Pacific and Hawaii flights. (UPI)

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Offstage, Democrats Scrap for Votes of Elite Politician-Delegates

By E.J. Dionne Jr.
New York Times Service

WASHINGTON — In the battle for the Democratic presidential nomination, there is no group comparable to the superdelegates, the 646 governors and members of Congress and the Democratic National Committee who will automatically attend this year's nominating convention. And the battle for their votes is now in full fury.

On Wednesday, one of the most influential of these elite delegates, Senator Bill Bradley of New Jersey, endorsed Governor Michael S. Dukakis of Massachusetts.

The Bradley announcement carries a double message. For the many Democrats who wanted him to run for president, Mr. Bradley firmly closed that door. Also, the Dukakis camp sees the endorsement as a sign that the party's leading figures are ready to unite behind him as the clear leader and probable nominee.

That is what happened in Connecticut on Tuesday, when the state's two leading Democrats, Senator Christopher J. Dodd and Governor William A. O'Neill, endorsed Mr. Dukakis, as did Representative Barbara B. Kennelly.

Mr. Dodd was frank in explaining that his endorsement had been

designed in part to cut short the battle for the Democratic nomination. "People like myself and others would like to see this thing put together sooner rather than later," he said.

But the other presidential campaigns are struggling to stop the trend toward Mr. Dukakis, and some of the superdelegates say they should hold off on endorsing now to maximize their collective influence later.

The creation of the superdelegates after the 1980 election was one in a series of moves by the Democrats to moderate the impact of party reforms of the 1970s. The

reforms had the effect of diluting the power of elected officials to influence the party's choice of a nominee. This dilution, in the eyes of many politicians, helped lead the Democrats to defeat.

By automatically making top party leaders delegates, those drawing up the party's rules sought to give active politicians more power in choosing the nominee.

In the 1984 campaign the superdelegates had a limited impact because so many of them endorsed former Vice President Walter F. Mondale early in the process. This time, many in the party, including Paul G. Kirk Jr., the national chair-

man, say they believe the elite group should hold out until after the primaries and then use their influence to unite the party behind a single candidate.

In numbers, the group is larger than the big delegations of New York, Texas and Florida combined.

The superdelegates could be especially important this year if, as now seems likely, no candidate emerges from the primaries with the 2,082 delegates needed for nomination.

The Dukakis campaign offers a plausible alternative scenario. It would have Mr. Dukakis emerge

from the Michigan caucuses on Saturday as a winner. This would eliminate Representative Richard A. Gephardt of Missouri, who has staked his campaign on a strong showing there. Then Mr. Dukakis would win the Wisconsin primary April 5, eliminating Senator Paul Simon of Illinois.

Finally, the governor would win the New York contest on April 19 and cripple Senator Albert Gore Jr. of Tennessee. After that, only Mr. Dukakis and the Reverend Jesse L. Jackson would be left in a head-to-head fight with Mr. Jackson, the scenario has it, Mr. Dukakis would be the likely winner.

In the eyes of many politicians, including Mr. Dodd, this is a highly plausible outlook, and the task for the politicians is to start uniting the party behind Mr. Dukakis.

"We'll have a tough enough time in November as it is," Mr. Dodd said in an interview, "and we don't have to add to our difficulties" with an untidy convention.

The danger of this argument, said one influential Democrat who asked not to be identified, is that it looks to some Jackson supporters as a way of reducing Mr. Jackson's influence at the convention.

"The real danger is if it looks like a politicians' cabal to shortchange

Jesse and deny him his day in the sun at the convention," said this Democrat.

One member of the Democratic National Committee who is being courted by all sides said that the Dukakis campaign had changed its message since Mr. Dukakis lost the Illinois primary. Mr. Dukakis is no longer the candidate of "inevitability" but the candidate of order.

The Dukakis argument has clearly won some converts, but most of the elite delegates, especially those who are members of Congress, are still inclined to wait to see if Mr. Dukakis can deliver the victories his supporters foresee.

Dukakis: Stolid Self-Reliance

An Immigrant Son Pursues Goals With Cool Doggedness

By Robert L. Turner

BOSTON — Critics have called Michael S. Dukakis too humdrum, vague, cold and arrogant to be elected president of the United States. Some even say he's too short.

There is some basis in truth for each observation, but it is also true that Mr. Dukakis, 54, who is in his third term as governor of Massachusetts, has often made fools of opponents who underestimated him.

Now, his presidential campaign, which he called "a very, very long shot" when he started out just a year ago, has chugged to the front of the Democratic pack.

It turns out that the nomination is to be won by a brilliant or impassioned speech at the national convention in July, then Mr. Dukakis will probably not be the nominee. But if the prize of facing, presumably, Vice President George Bush in the November election ends up going to the candidate who has doggedly pursued and won the most delegates when the primary season ends on June 7, then Mr. Dukakis will very likely be the winner.

At the age of 17, he ran the Boston Marathon, finishing 57th in a field of 191, and throughout his political career, including his presidential campaign, he has valued the steady pace of the long-distance runner over a strategy of dashes and leaps. Most of his political or policy achievements have been the result of clearly conceived goals pursued with dogged persistence.

As presidential candidates go, he is short, at 5 feet 8 inches (1.74 meters), and has been known to stand on a three-inch (eight-centimeter), carpeted box when debating opponents. But he also has a strong television presence, which he began honing 17 years ago as moderator of a debate program on public television.

As for humor, Mr. Dukakis is virtually alone in denying the deficiency. His idea of campaign jocularly is accusing one of his fair-haired rivals, Representative Richard A. Gephardt, of "eyebrow envy."

Vagueness is a charge that has stuck with Mr. Dukakis most of the past year, partly because of his refusal to give details of a proposal to cut the federal budget deficit, other than stricter enforcement of existing tax laws. However, elements of a national vision, including integrity and a promise of economic growth and opportunity, have clearly been communicated.

Coldness and arrogance are also attributes that have been ascribed to Mr. Dukakis over the years, the result of what he sensed to feel was his own intellectual self-

sufficiency. He has often been labeled a "technocrat." Yet even his detractors acknowledge his leadership ability and his quick grasp of issues.

Many of these qualities recall President Jimmy Carter, and in fact the similarities are strong. A major difference is that Mr. Dukakis was knocked off of his self-sufficiency by a surprise defeat in 1978 for his party's renomination to the governorship, after his first term. Since then, he has taken a much more coalition-oriented approach to governing and campaigning.

This coalition aspect of his presidential campaign is true to the man, at least as he has governed in his second and third terms. But it is a far cry from the way he started out, and from the personality that some friends feel is still at his core.

Born into a two-language family, his first words, according to his mother, Euterpe, were *monos mou*, by myself, in Greek.

This strong-willed, independent, self-contained quality has been apparent in Mr. Dukakis ever since, for good and for ill. As a teen-ager, he was a standout student at Brookline High School, just outside of Boston — the leading scholar, president of the Student Council and captain of the tennis team his senior year. Yet he spurned the informal social clubs that were a central part of life for most of his friends. He said they were elitist and he didn't need them.

Robert Wool, president of that 1951 class and now a writer in New York, said, "It was very unusual. He had some very strong sense of who he was, what he was doing, what he had to do and accomplish. He wasn't driven the same way we were. We were peer-driven. Acceptance and popularity were so important to us — I think that's fairly normal at that age. But he listened to a different inner drummer."

This self-assurance, combined with dogged determination and a keen mind, carried him through Swarthmore College with highest honors, two years in the military (including service in Korea after the armistice) and Harvard Law School, where he graduated in 1960.

He found politics early. While still in law school, Mr. Dukakis ran for a seat on Brookline's redevelopment authority, losing narrowly, then won a seat at a town meeting in 1959. He led a slate that took over the Democratic Town Committee in Brookline in 1960. Two years later he won a seat in the state legislature. And in 1974 he won the governorship.

On arrival, he found an economic crisis that was



Governor Michael S. Dukakis, center, accepts endorsements Wednesday in Hartford from Connecticut's two leading Democrats, Governor William A. O'Neill, left, and Senator Christopher J. Dodd.

nothing short of desperate. It forced him to break a campaign pledge against raising taxes. His delay in confronting the deficit made matters worse, and this was compounded later when he allowed his relations with legislative leaders to deteriorate.

Mr. Dukakis acted as if he could govern almost alone, but the response he got was a stunning dismissal from office by the voters in the 1978 primary. He was routed by Edward King, a little-known, conservative, business-oriented Democrat.

His wife, Kitty, said it was "like a public death." Mr. Dukakis spent most of his four years out of

office on the faculty of the Kennedy School of Government at Harvard University, where he learned coalition politics. He mounted a coalition campaign that swept him back into office in 1982.

Among the themes Mr. Dukakis has developed in his national campaign is that of his immigrant roots. His parents were both Greek families who emigrated to America while the children were in their teens. His father became a doctor and his mother a teacher. If elected, Mr. Dukakis would be the first president since Andrew Jackson whose parents were born outside of the United States.

Dukakis Trade Switch Criticized by Gephardt

By Robin Toner
New York Times Service

DETROIT — "There's no change," Governor Michael S. Dukakis protested as he pledged his support for tough new trade legislation.

Representative Richard A. Gephardt begged to differ. "He's been adamant that we don't need new legislation," said Mr. Gephardt, who has been assailed by Mr. Dukakis as a protectionist from one end of the country to another. "I don't think he's going to fool people by coming in here on the 11th hour, five days before the Michigan primary, where trade is a paramount issue, and saying, 'Me too.'"

And so it was as Mr. Dukakis, the governor of Massachusetts, came forth with a reconstructed trade message this week. After months of asserting that the president has all the authority he needs to combat unfair trade practices, Mr. Dukakis began the final phase of his Michigan campaign by endorsing new legislation that calls for tougher sanctions on countries that impose unfair trade restrictions.

The shift left Mr. Gephardt, a principal rival in Michigan's Democratic caucuses on Saturday, outraged. Gephardt aides asserted that they had paid the political price for their candidate's tough trade posture in less friendly territory, like much of the South; they were not about to cede the issue to Mr. Dukakis now.

"We got whipped on that issue all across the South," said Donna Brazile, deputy campaign manager for Mr. Gephardt.

Mr. Dukakis's latest trade initiative began last Saturday, when he signaled his support for an amendment to the trade package now before Congress. The amendment was formulated by Senators Donald W. Riegle Jr., a Michigan Democrat, and John C. Danforth, Missouri Republican.

And two days after Mr. Dukakis voiced support for the amendment, he was endorsed by Mr. Riegle. The senator said his decision was not based on Mr. Dukakis's support for his legislation, although it was mentioned prominently in Mr. Riegle's statement of endorsement.

Mr. Dukakis and his staff asserted that there was no substantive change in his trade policy, and he produced a transcript of a debate in August to show he had earlier expressed support for the Riegle-Danforth plan.

At that debate, after assailing Mr. Gephardt's trade proposal in the House of Representatives, Mr. Dukakis said, "I feel a lot better about the Senate bill."

But for the past several months, Mr. Dukakis's basic trade message, as articulated at the University of Illinois last week, was different. "We don't need more laws to have an effective trade policy for America," he argued then.

Mr. Dukakis's philosophy on trade had contrasted sharply with that of Mr. Gephardt, who for months was his principal rival in the Democratic race. Mr. Gephardt has built his campaign around legislation he has sponsored that in most cases would require the president to retaliate against chiefly Asian trade partners who had trade surpluses with the United States. Mr. Dukakis had assailed that legislation as unworkable, protectionist and an invitation to a trade war.

Expatriate Democrats Pick Uncommitted Slate

The Associated Press

LONDON — Members of the U.S. Democratic Party living overseas have selected a largely uncommitted delegation to attend the party's national presidential nominating convention this summer.

Governor Michael S. Dukakis of Massachusetts picked up a fraction of a convention vote. He also won a nonbinding ballot.

The primary election on Tuesday gave Democrats worldwide the

chance to vote by mail or in person for convention delegates.

In the balloting, mostly by mail, 10 delegates were chosen. Each of them will cast one-half vote at the convention. Nine of those delegates have declared themselves uncommitted, while one is pledged to Mr. Dukakis.

Under party rules, expatriate Americans are entitled to nine nominating votes at the national convention. Another four delegates, each of whom will cast one-half vote, will be picked later at a

meeting in Paris, and under party rules they initially would be uncommitted.

Also, eight overseas members of the Democratic National Committee each have a quarter of a vote at the convention.

"Of course we have an impact, particularly if we're uncommitted," Sally McNulty, the chairwoman of the Democratic Party Committee Abroad, said Tuesday as the ballots were counted.

Of the 2,385 ballots cast in the nonbinding part of the primary, Mr. Dukakis received 990 votes, or 41.5 percent and the Reverend Jesse L. Jackson 347 votes, or 14.5 percent, according to Democrats Abroad, the organizers of the balloting.

Andrew Sundberg, a businessman living in Geneva who campaigns for expatriate benefits, won 304 votes, or 12.7 percent. Senator Paul Simon of Illinois received 248 votes, or 10.4 percent, and Governor Mario M. Cuomo of New York, who is not a candidate, 171 votes, or 7.2 percent.

ATOM: U.S. Calls a Halt to Taiwan Plutonium Project

(Continued from Page 1)

extract plutonium from the spent fuel of Taiwan's largest civilian research reactor was an attempt by Taiwan to keep open a nuclear option, or a final decision by the political leadership to build a bomb.

But administration officials were alarmed by the development because it appeared to be a reprise of an incident in the mid-1970s when Taiwan built a laboratory to extract plutonium.

U.S. officials insisted at the time that the laboratory be dismantled, and Taiwan agreed to a ban on research that could be used for weapons development.

Taiwan's private commitment to the United States thus went beyond the requirements of the Nuclear Nonproliferation Treaty, which obligates signing nations to submit all of their nuclear material to international inspection.

TALKS: Hope in Sapoa

(Continued from Page 1)

financing of subversion." Argentina and Colombia also have expressed concerns about the troop deployment.

Mr. Fitzwater expressed cautious optimism about the talks. "They do seem to be making progress," he said, adding that it was "somewhat surprising" in view of previous actions by the Sandinistas.

The Sandinist proposal, outlined Tuesday by Victor Hugo Tinoco, the deputy foreign minister, calls for a truce of up to 90 days during which the contras would lay down their weapons and join a "national reconciliation dialogue."

For every rebel who stops fighting, the government would release a political prisoner. The government is holding an estimated 3,300 political prisoners.

Mr. Tinoco said that rebels who put down their arms would be free from prosecution without applying for amnesty and could take part in Nicaraguan political life.

The rebel proposal calls for a 45-day cease-fire. It would provide for zones in which the estimated 10,000 contra guerrillas could gather while a permanent truce was negotiated.

The proposal calls for total amnesty, return of political exiles, full press freedoms, a suspension of the military draft during the truce and the inclusion of contra representatives in a national dialogue.

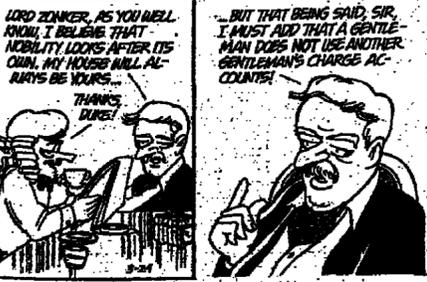
(AP, UPI)

3 Ugandans Sentenced To Death for Treason

KAMPALA, Uganda — The High Court sentenced three persons to death for treason on Wednesday and acquitted four others, including a former Ugandan commerce minister, Evaristo Nyenzi.

The defendants were among 26 persons arrested in October 1986 in connection with an alleged plot to overthrow the government.

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Saint Laurent Quiet But Never Boring

By Bernadine Morris

PARIS — If fashion is indeed embarking on a sober straight and narrow path for fall, Yves Saint Laurent will lead the way. The master of the classic mode, introducing his collection as usual on the last day of the week of showings, offered wearable clothes on his own terms.

Except for hats, they were not propped up with zany accessories. Except for pants and some evening clothes, skirts were short, three to

satins, they made festive evening suits. Pink, yellow and white were the colors combined in one of these styles.

For evening, there were black suits with pants or skirts, versions of the men's smoking, which Saint Laurent also popularized in the past, and black velvet dresses decorated with crystal drops taken straight from chandeliers. Other evening styles included short dresses with corset tops, best in lace and chiffon, and bouffant dresses with dipping hemlines that bared the knees in front and trailed to the floor in back, festive in black satin, velvet and tulle.

But Saint Laurent in top form was represented by floor-length full skirts topped by matching long capes and satin blouses. Colors were beige, black, gray or white. There are few designers who can make such simple styles look so dramatic.

Jacqueline de Ribes, known for her glamorous evening clothes, decided to have some fun. She tried peekaboo effects in her collection Tuesday afternoon. A velvet diamond covered most of the bodice of a black dress. It was surrounded by sheer fabric. A sequin bra twinkled under a black chiffon blouse.

She also liked narrow dresses with zippers spiraling around the body, showing them in flannel, jersey and velvet. For day, pale knitted dresses bloused over the torso and had snugly fitted skirts.

Patrick Kelly's collection ended the week of fashion openings Wednesday afternoon with a show that had all the fervor of a revival meeting in his native Mississippi. It began with gospel music and ended with a shower of red paper hearts and confetti, and the designer was crying as he took his bow. Not yet a member of the association that controls the showings in the tents at the Louvre, he introduced his clothes at La Cigale, a



Saint Laurent for evening: black satin dress with dipping hemline.

nightclub in Pigalle. The atmosphere recalled the early days of ready-to-wear, in the 1970s, when the shows took place all over the city and it was never clear what would happen when you found them. This time, the clothes were short and sexy. Jersey sheaths hugged the body. Tweed suits had flouncy

pleated skirts, even those that were supposed to be takeoffs on Chanel. It looks as if the designer will do for billiard balls what he has already done for buttons and bows. He made these mundane objects fashionable by massing them in decorative patterns on his jersey shifts, using them for earrings and on boots and gloves.

Food Scarce as Panama Strike Goes On

PANAMA CITY — Hungry families flocked to relief centers across Panama as food grew scarce on the third day of a general strike aimed at deposing General Manuel Antonio Noriega.

The military leader again rejected a U.S. call for him to go into exile. Panamanians by the tens of thousands stayed off their jobs and General Noriega's opponents hailed the success of the work stoppage. They vowed that it would continue until the general left.

But General Noriega appeared unwilling to step down. "I am a Panamanian, not a gringo," he said after meeting with a small group of union supporters. "Let the world know we are fighting the ultimate battle for dignity and against colonialism."

The United States accused General Noriega on Wednesday of sacrificing the interests of the country's military in an effort to stay in power, Reuters reported from Washington. "As Panama's crisis deepens, Noriega seems to be trying to hang on at any cost, particularly at the expense of the Panama Defense Forces," a State Department spokesman said.

An estimated 90 percent of offices and industries were shut by the strike on Tuesday. Most shops and stores were closed, public transportation was halted and many government employees did not go to work.

Combat troops patrolled the capital for the seventh day since a coup attempt against General Noriega on March 16. No incidents or demonstrations were reported.

The United States is using economic pressure against General Noriega, withholding payments for use of the Panama Canal and freezing Panamanian accounts in U.S. banks to starve the government of the dollars it uses as its currency.

The government must meet several major payrolls by the end of the month, including that of the 15,000-strong National Defense Forces, which the general heads.

Between the cash crunch and the strike, the latest in a series of walk-outs that began last summer to protest General Noriega's alleged corruption, food has grown scarce.

Eric Arturo Delvalle, who was removed as president Feb. 26 after trying to dismiss General Noriega, appealed for international food aid Tuesday.

Relief officials said that more and more hungry families, some of whom have not eaten in five or six days, were flocking to emergency centers around the country. And port workers said they had run out of food for their union members, but voted to stay on strike.

Last week, General Noriega turned down an offer of exile, in Spain.

On Monday, acting President Manuel Bois Palma passed on an offer by General Noriega to resign before next year's presidential election if the opposition would agree to a vaguely defined "national dialogue." The opposition Civic Crusade spurned the proposal as "another maneuver by Noriega to gain time."

Libyan Offer Reported

In Washington, a Panamanian air force pilot who ferried Cuban supplies into the country said on Tuesday he waited in vain for one flight for a \$50 million cash shipment from Libya to take General Noriega, United Press International reported.

Major Augusto Villalaz said he waited in Havana on March 14 for the cash promised by the Cuban Embassy in Tripoli.

"In the afternoon, we had an order from the Ministry of Interior that it had no news of the money and to fly on to Panama," Major Villalaz said.

ARMENIA: Moscow Ignores Nationalists' Demands

(Continued from Page 1)

professors, appeared on television at half-hour intervals reading short speeches telling the people they should be proud of what they had accomplished and not resume protests, according to a Westerner living in Yerevan.

A Yerevan radio broadcast reported that the Communist Party leadership in Armenia had warned against the Saturday protest meetings, saying it could lead to "unpredictable consequences."

The resolution by the presidium of the Supreme Soviet, the executive committee of the nominal parliament, did not specifically address the merits of the Armenians' demand that the Nagorno-Karabakh Autonomous Region, a predominantly Armenian area in Azerbaijan, be joined to the Armenian Republic.

But the resolution strongly condemned the effort by "self-styled organizations" to pressure the government for territorial changes, calling such tactics "intolerable."

The protests in February that drew huge throngs of Armenians into the streets of Yerevan and Stepanakert, the capital of Nagorno-Karabakh, were peaceful, but they were followed by outbreaks of ethnic violence in Azerbaijan.

Protest organizers called a halt to the demonstrations until March 26 after Mr. Gorbachev said he was taking the territorial issue under advisement.

The Wednesday decree was overshadowed by an article Monday in the party newspaper Pravda, attacking Armenian campaigners and their cause as "anti-socialist."

On Tuesday, Yuri Arakelyan, an Armenian correspondent whose name was published by Pravda as one of the authors, disavowed the article in a telegram to his editor, saying it had shamed him before his people. It was remarkable act of defiance for a Communist Party member in a visible position, and a sign of the emotional hold of the Armenian cause.

Mr. Popoyan said Wednesday that Mr. Arakelyan had suffered a

heart attack after writing his telegram and was in serious condition in a Yerevan hospital.

The Armenian campaign for unification with Nagorno-Karabakh began as a peaceful petition drive that collected 100,000 signatures out of a population of 140,000 in the disputed territory.

Both the governing council of the Nagorno-Karabakh region and the regional Communist Party Central Committee voted for reunification with Armenia.

Armenians in Yerevan and Nagorno-Karabakh staged huge but peaceful protests and stopped work in many Armenian factories in support of the demands.

But after a clash in which two Azerbaijanis died, Azerbaijanis staged a rampage of murder, rape and destruction against the Armenian minority in the city of Sumgait.

The resolution Wednesday instructed the federal prosecutor and interior ministry to "take every necessary measure to insure public order and protect the lawful interests of the population in the territory of the Azerbaijan and Armenian Soviet Socialist Republics."

Saharan Locusts May Swarm South

NAIROBI — Huge swarms of locusts are sweeping North and West Africa in the worst plague of the pests for 30 years and they now threaten to spread south of the Sahara.

The invasion is "dangerous and could become alarming," a spokesman for the UN Food and Agriculture Organization said in Rabat. Swarms 20 miles (32 kilometers)

long and up to three miles wide have been seen in northern Mauritania, the Western Sahara and southern Algeria, the agency said. Big swarms also threaten Morocco, Tunisia and Libya.

Experts at a meeting on locust control in the Malian capital, Bamako, last week said the swarms could move south, posing a new menace to crops in sub-Saharan Africa.

GULF: Iran Displays the Horror of Chemical Attack

(Continued from Page 1)

forced to take such measures," said the official, Kamal Khorazi, adding that it depended on the will of the United Nations Security Council "in taking some measures against the use of chemical weapons by Iraq."

Mr. Khorazi said that if the "deadly silence" continued in response to Iraq's protests to international organizations, "then maybe we will be forced to do that, to defend ourselves."

Mr. Khorazi would not comment directly on reports from the Netherlands that Justice Ministry officials had seized a ship bound from the United States to Iran carrying 15,000 pounds of rocket fuel. The request to seize the ship was made by U.S. officials.

Artillery duels were still raging to the north and south of Lake Dar Bandi Khan when Western reporters traveled to Halabja under Iranian escort this week. Iraqi warplanes roared overhead, and random artillery shells gouged small craters into the adjoining fields as reporters toured Halabja, Dojaila and the tiny hamlet of Anap, where another 80 bodies of civilian gas victims had been heaped together on the roadside.

The bodies of dozens of dead Iraqi soldiers were strewn along the five miles of roadway between Halabja and Dojaila, where the heaviest fighting occurred last week.

Officials of the Iranian Revolutionary Guards who were in charge of the offensive said they captured several hundred Iraqi tanks, artillery pieces and thousands of support vehicles, in addition to prisoners.

Burned or bombed out Iraqi tanks and trucks attested to the battle. Thousands of spent artillery shells cluttered roadside emplacements and boxes of spent ammunition carrying markings from the

Jordanian Army — one of Iraq's suppliers — were stacked in supply areas.

But the starkest and most gruesome scenes of this distant battle site in a lush green valley guarded by flanking snow-capped peaks are the quiet faces of the noncombatant victims: four smiling girls in traditional local dress lay like discarded dolls by a trickling stream in Anap, two women cuddled in death by a flower garden, an old man in a turban clutching a baby on a doorstep.

Many of the Kurdish inhabitants of Halabja fled to nearby mountains, according to the handful of townspeople who have returned. But many others died in the subsequent Iraq and massive aerial bombing by Iraqi warplanes, they said.

Iran has estimated that 4,000 civilians died in Halabja either from gas poisoning or from the intensive bombing. This figure could not be independently verified.

A year ago, the population of Halabja was reported at 70,000, but thousands of residents had fled after an uprising against the Iraqi military authorities last May, reducing the population by roughly half.

In Tehran, Iranian medical specialists treating Halabja survivors said the gas cloud contained a mixture of mustard and cyanide gases. Hundreds of gas victims were evacuated to Tehran hospitals, where Western journalists found them suffering from chemical burns on their skin, eyes and lung tissue. Some of the victims included Iranian Revolutionary Guards, who had just entered Halabja to accept the surrender of the Iraqi garrison whose supply lines had been cut off during the fierce four-day battle that began March 15.

Hamid Soltanpour, an internist at Labbfi Nejah Hospital in North Tehran, said he had admitted 152

gas victims from Halabja, nine of whom had subsequently died.

In general, Iraqi officials no longer deny using chemical weapons and argue privately that they are used to blunt Iranian assaults.

Nevertheless, any independent verification that Iran was responsible for the Halabja attack would have to examine the question of why Iraqi forces employed such weapons on the civilian population of Halabja after the battle for the city was over.

At the time of the surrender in Halabja, the front lines of Iranian attackers had pushed well east of the city, deeper into Iraq, and Halabja was not being used by Iran as a base to support its forces.

The brutal assault on the town, if committed by Iraq, would tend to confirm other reports that Iraq has undertaken a systematic campaign to punish that part of the Kurdish population of northern Iraq that has united to assist Iran.

The surprise Iranian offensive was carried out in stages, according to Ali Shafiq, one of the Revolutionary Guard commanders.

In the first stage, Mr. Shafiq said, Kurdish guerrillas backed by Revolutionary Guards opened up with artillery. Simultaneously, Revolutionary Guards using a flotilla of small boats came up the lake and stormed ashore behind the Iraqi forces that were facing the first wave of the attack.

Israeli Homosexuality Legal

JERUSALEM — The Israeli parliament, the Knesset, reported on Tuesday a law dating to British Mandate-era Palestine and made homosexuality legal. In adopting a package of sex and sex-crime laws, the Knesset also approved harsher sentences for rapists.

ASSESS: Iran and Iraq Battling for Political Gains

(Continued from Page 1)

servative Arab nations of the Gulf rallied to Baghdad's cause late last year.

With sometimes bewildering speed, however, that lineup has become blurred and ambiguous. Iran failed to produce its widely forecast winter offensive, in part, according to Western diplomats in Baghdad, because it was not able to persuade enough Iranians to volunteer for the war.

And Iraq, frustrated and fearful of seeing the momentum of its recent diplomatic gains slip away, has pursued tactics that have blocked Western efforts to win Soviet backing for an arms embargo against Tehran, specialists in the Gulf region say.

The Iraqi president has other considerations, too, according to a Western diplomat in the Gulf. The loss of momentum offered the prospect of a continued stalemate, a situation that Baghdad sees as benefiting Tehran with its larger population and its need to bolster its armaments.

In late February, Iraq struck an Iranian refinery eight miles (13 kilometers) from the center of Tehran. Western diplomats in Iraq said Baghdad hoped to provoke Tehran into reopening the "war of the cities." The label refers to long-range missile and aerial offensives, which Western military experts say Baghdad is better equipped to fight.

Iran launched three missiles into Baghdad, enabling Iraq to unleash its previously unused long-range, surface-to-surface missiles. The

Iraqis say they build the missiles themselves, but Western military experts say they are Soviet-supplied Scud-B or SS-12 missiles with extended range.

"In a way the whole thing backfired," a Western diplomat said, because it enabled the Soviet Union to slip away from U.S. pressure to support an arms embargo against Tehran as a punishment for failing to accept the UN peace plan, which was presented in September.

"The Iraqis wanted to worry the international community," an Arab diplomat said. "They wanted to make sure that Iran was not going to get away with stalling."

Since Feb. 29, Iraq has launched 106 missile strikes against Tehran and other Iranian cities.

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9.00 Board Meeting

1.00 Lunch at the Marriott

1.45 Viewing new office site

4.30 Meeting with Sales

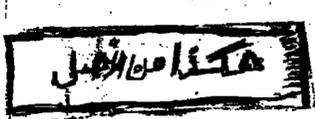
7.00 Dinner at the

8.30 Theatre with

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SCIENCE

IN BRIEF

Alcohol-Breast Cancer Studies Differ

DAYTONA BEACH, Florida (NYT) — A study of 7,000 women has found no association between alcohol consumption and breast cancer. The finding stands in sharp contrast to one last year that linked as little as a few drinks a week to an increased risk of breast cancer and led some experts to encourage women to curb their drinking.

Astronomers Start Scan of Milky Way

NEW YORK (NYT) — Astronomers have begun the most detailed search ever of the Milky Way, looking for remnants of supernova stellar explosions. The search, using the world's most powerful radio telescope, will take two years.

Did Dinosaurs Care for Their Young?

BOZEMAN, Montana (WP) — An analysis of 75- to 80-million-year-old dinosaur embryos found in Montana supports the controversial view that at least some species of the ancient beasts exercised parental care.

Bacteria Used to Remove Oil in Rock

CANBERRA, Australia (Reuters) — Cocktails of bacteria, sand and water kept in an oven in an Australian laboratory may hold the key to adding billions of barrels to world oil reserves.

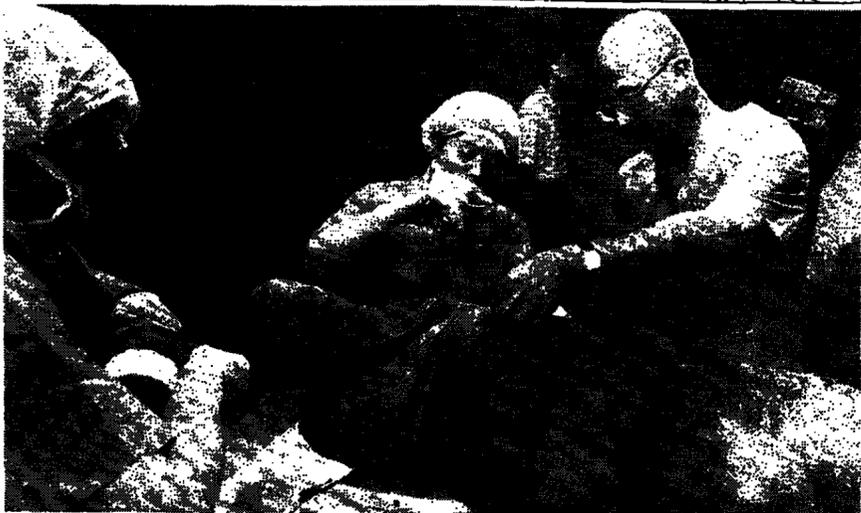
The Secrets Of a Mummy Unwrapped

By Barry James
PARIS — The most complete and the most scientific attempt so far to penetrate the mysterious world of the mummies is recounted in a new book by two French scientists.

Why did the ancient Egyptians employ this means of preserving the dead? What was the ritual? How did they accomplish it technically? What materials did they employ? What lessons does it hold for the present?

In their book, "A Corpse for Eternity—Autopsy of a Mummy," Jean-Claude Goyon, an Egyptologist at the University of Lyon, and Patrice Josset, a pathologist in Paris, tell how they joined with other scientists in an attempt to find the answers to these and many other questions.

A television film of the autopsy will be shown in France in coming weeks.



Ancient Egyptian funeral ritual (top), and the recent delicate removal of a mummy's bandages.

First, the body was wrapped in a large piece of linen canvas identified by fabrics experts of the Musée des Tissus in Lyon as being probably a half section of a sail, complete with a cordage ring. If so, it is the oldest sail known to exist.

Second, Dr. Josset discovered a vase containing a petrified ball of skin, apparently the mummy's own, within the thorax. He said both discoveries appear to shed new light on ancient Egyptian rites and could help in deciphering hieroglyphics describing the mummification ceremony.

A sail, for example, could have symbolized a good wind into the after-life, he said, while the skin possibly represented rebirth. It may have derived from the ancient custom of wearing the skin of an animal, as Hercules was supposed to have worn a lion's skin, in order to acquire its qualities.

Through chemical analysis, the scientists identified ingredients of the acidic resin the Egyptians employed as an embalming fluid, including labdanum, a fragrant oleoresin derived from Mediterranean rockroses and still used in perfumery. They have succeeded in producing a sample of the thick brown liquid.

The team is now trying to reproduce the tarlike resin the Egyptians coated onto mummies to preserve flesh "into eternity."

have any practical use remains to be seen, Dr. Josset said. At the least they may help in preserving mummies that fall prey to fungal attack once removed from the dry environment of the Egyptian desert.

The substances used by the ancient Egyptians obviously had remarkable antiseptic and fungicidal qualities, and what is good for a mummy may also prove good for living human beings.

The autopsy was only the start of a long period of research and reflection, Dr. Josset said. It could take a couple of years or more to fully analyze the results.

According to Dr. Josset, one misconception is that mummification was available only for the very rich or those of royal blood. "It was a ritual for all social classes," he said, "just like a funeral is today."

The unknown Theban of the autopsy probably did not belong to the priesthood or the aristocracy, but neither was he from a poor family. He lies now in the reserve collection of the Lyon museum.

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Cure Elusive, but AIDS Virus Is Better Understood

By Gina Kolata
SCIENTISTS may be a long way from finding a cure for AIDS, but they are getting to know the AIDS virus in extraordinary detail. With a barrage of reports in recent weeks, researchers have confirmed hypotheses about how the virus does its deadly work.

The AIDS virus, one of the most difficult viruses to study, is better known than virtually any other human virus, said Dr. Dani Bolognesi of Duke University.

Until recently, scientists thought that the AIDS virus, like many others, was transmitted as a virus particle in blood, semen or vaginal fluid. This explanation seemed adequate for transmission through blood, in which many virus particles are present.

other possible path for the sexual spread of the virus is through Langerhans cells, other immune system cells. They closely resemble macrophages but are at the surface of mucous membranes, like those of the vagina and cervix, and are at or near the surface of the penis.

Until recently, scientists were at a loss to explain how a small proportion of infected cells causes the demise of so many others. Now they have several answers, all of which seem correct, they say.

Investigators, including Dr. Robert Gallo of the National Cancer Institute in Bethesda, Maryland, also have preliminary evidence that macrophages transmit the AIDS virus to the brain, where it infects microglial cells.

Finally, macrophages appear to be a continuing source of the AIDS virus as the infection continues. "We believe that macrophages are a major reservoir," Dr. Gallo said. "T-cells get killed when they release the virus, but macrophages can release the virus and not die."

replicating and activating the rest of the immune system instead causes the AIDS virus to replicate and destroy the T-cell.

The relation between T-cell activation and AIDS-virus release may cast a pall over attempts to treat AIDS patients by boosting their immune systems with drugs such as interferon. The immune system boosters activate T-cells, said Dr. Jeffrey Laurence of Cornell University School of Medicine in New York, which means that they could cause the virus to be spread from infected cells.

Still, experts believe that more is going on than simply the spread of virus among T-cells. They reason that too few T-cells are infected to account for the destruction of the immune system.

Until recently, the leading hypothesis was cell fusion. The idea was that infected T-cells had viral proteins on their surfaces that made other T-cells stick like iron filings to a magnet.

The proteins bind to the surfaces of healthy T-cells, coating them. "They stick like Velcro," Dr. Bolognesi said. Antibodies the body has made in an attempt to fight the infection then bind to the viral proteins, signaling the immune system to destroy the healthy cells.

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INTERNATIONAL Herald Tribune

Post-Crash Medicine

October's stock market crash was widely expected to cut back economic growth and perhaps create recession. Five months later, governments preen themselves on the slump's failure to arrive. It is early to tell; it can take time for business and consumers to adjust spending to loss of wealth. Still, there could be an element of self-sustaining prophecy here. Reviving confidence can breed on itself.

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Fair to Foreign Money

Foreign investors have put half a trillion dollars into America in three years. Congress thinks that it ought to exercise closer control of this surge in foreign ownership. But it is pursuing the wrong remedies. Two provisions on foreign investment are wrapped into the trade bill, and both are undesirable.

There is nothing wrong with reporting requirements if they bear equally on everyone. Foreigners sometimes grumble about the things they have to tell the Securities and Exchange Commission, which is much more demanding than counterparts in most other countries. But the SEC rules apply to foreign and domestic companies alike.

Latin Ups and Downs

The Central American isthmus makes life hard for headline writers. Item: Last week General Manuel Antonio Noriega, pressed by Washington, seemed to be packing his bags for exile in Spain; now the Panamanian military leader stocks weapons and vows defiance.

There is more bravado than conviction in his attempts to depict himself as an honest nationalist up against the Yankee colossus. The interesting lesson, if the administration will heed it, has been the effectiveness of nonmilitary pressure.

Other Comment

Indonesia Needs Fresh Air Half of Indonesia's cabinet was replaced this week at the start of President Suharto's fifth and probably final five-year term. But there is not a lot in the reshuffle to suggest that a much needed breath of fresh liberal air is about to sweep through Southeast Asia's largest country.

The most important of President Suharto's achievements has been to create a stable, multiethnic nation. Against a worldwide trend, the attractions of Islamic fundamentalism have not taken great hold. If President Suharto can use his military backing to help him begin a general shift toward greater personal, political and economic freedom rather than as a force against change, his legacy to the nation will be all the more valuable.

Tell the Powers to Halt the Iran-Iraq War

By Flora Lewis

PARIS — The dispatch of U.S. and European warships to the Gulf was eventually organized into an effective operation despite the sloppy start. "It worked," says Admiral Pierre Lacoste, former head of France's secret service, "and because it worked you don't hear that it is working."

For an end to the war, but they cannot agree on stopping the provision of arms that keep it going. They act as if it were really not that important, as long as mostly Iraqis and Iranians are being killed. The death of a few neutral sailors now and then is accepted as part of the situation.



By MOIR in The Sydney Morning Herald. C&W Syndicate.

wants out with a return to the status quo ante, but it cannot impose its wish. Nor can it win. A victory for revolutionary Iran would be a disaster for the region, probably for the whole Islamic world, with impact on all the powers. So the bloody impasse is allowed to continue because the powers cannot bring themselves to put effective pressure on both sides.

Northern Ireland: More of the Same, Then War?

By William Pfaff

PARIS — It is possible to think of at least four things that could happen to poor Ulster. The first is Britain's withdrawal from Northern Ireland, tribal Catholics and tribal Protestants then falling upon one another in civil war.

Ulster's Protestants could be intimidated handsomely. Those American Irish who give so generously to the IRA to buy arms and explosives could give their money now to the better cause of buying the Protestants new homes and businesses in Scotland or Canada or Australia.

The agreement made it slightly more easily imaginable that Catholics and Protestants in the North might one day, deal with one another with some measure of tolerance, share out the jobs and resources of the community, and isolate and neutralize extremists on both sides.

Protect the Law-Abiding People in the Middle

NO society, however civilized, is immune to occasional outbreaks of savagery at the margins — or to official evasion when savagery is suspected. Britain, with the special burden of policing Northern Ireland's ancient sectarian enmities, differs fundamentally from Israel, with the special burden of occupying the territories conquered in 1967.

it) to keep Algeria an integral part of France. It ultimately failed. Given what the French liked to call their civilizing mission, in North Africa the striking anomaly was the resort to torture. This, as Mr. Horne notes, was the gangrene that spread from Algeria to metropolitan France and began to rot the fabric of French politics.

For a New Input of Political Energy

IT HAS become dreadfully fashionable to talk of Northern Ireland in terms of "the long war," as though both communities were doomed to some eternal conflict. Within the province, where people are exhausted by the daily violence and trapped by their tribal loyalties, this is perhaps understandable. But as an articulation of considered political opinion in Britain, it is alarming.

The three situations are very different, but there is a common thread. It is the intense strain that the task of keeping order, in any extreme situation, can exert on the very fabric of civility. I never expected to see pictures of Israeli soldiers deliberately and methodically smashing the arms and shoulders of prisoners with fist-sized rocks. Nor did I expect to hear of a British government suppressing a report on police misbehavior on grounds of national security. But then France, a quarter century ago, never expected to learn that her army was betraying its ideals of martial honor with occasional episodes of torture.

Back to Tolerated Business Bribes?

By Michael Waldman

WASHINGTON — As James McKay, the special prosecutor, continues investigating the Iraqi pipeline affair, Congress seems poised to give the very anti-bribery law that Attorney General Edwin Meese allegedly ignored.

committed suicide after his company paid bribes to the Honduran government. An investigation revealed that at least 450 U.S. corporations paid hundreds of millions of dollars in bribes abroad in the 1960s and early 70s.

payoff. But the Reagan administration and its allies have long sought to defang the law. They inserted into the trade bill language proposed by Senator John Chafee, Republican of Rhode Island. The House has passed similar legislation. The Senate bill would weaken the law by adding what it deemed acceptable if "reasonable" and based on "local custom."

INTERNATIONAL HERALD TRIBUNE

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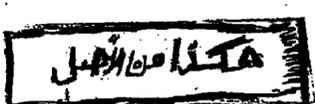
1888: Soldiers' Pensions PARIS — The Senate spent three busy hours [on March 23] discussing a bill for the allotment of pensions to the heroes who were wounded in the '48 Revolution. A hundred and forty-four of these interesting people have put in claims for money assistance, and seventy have been pacified. The other seventy-four are, according to M. de Laubespain, rogues and criminals. M. Léon Regnaud objected to the proposed "pilonification of illegality." But the House was against him, and, by 135 to 114, the bill was voted.

1938: Battle in China

SHANGHAI — The fiercest battle in China's history raged today [March 23] as 200,000 troops sought to cut the Japanese advance south from Shanghai along the Tientsin-Peking Railroad toward the strategic junction at Suchow. The Japanese are their two columns closing in on Suchow from the north and south, over 114 miles apart. Casualties on both sides ran into thousands, Chinese reported, in a desperate fight at Tienhsien. More than 300 Chinese soldiers are reported to have committed suicide by blowing themselves up with hand grenades rather than be treated, when their commander shot himself after being wounded.

1913: Belgians to Strike

BRUSSELS — After a lengthy discussion today [March 23], the Belgian Socialist Congress decided to call a general strike on April 14 in favor of the principle of one man one vote, which the Government and the Catholic majority has so far refused to grant. The Congress decided that the strike should last until the reform



INTERNATIONAL MANAGER

One Aim of U.K. Budget Is to Reward Performance

By SHERRY BUCHANAN International Herald Tribune

LONDON — International managers in London cracked open the champagne last week after Nigel Lawson, the British chancellor of the Exchequer, announced a cut in the top income tax rate from 60 percent to 40 percent.

The lower tax rate is the latest in a series of efforts by the Thatcher government to encourage companies to reward executives according to performance.

Rewards for performance are supposed to link the good fortunes of executives to those of their companies. In principle, those rewards yield more benefits for the economy than automatic increases in income tax rates.

Recognizing that linking pay to performance is a way of motivating executives, the British government liberalized its tax rules in 1984 to make stock option plans more attractive.

International compensation experts, who advise companies on how to calibrate salaries, benefits and pensions most effectively, expect British companies to start experimenting with long-term cash bonus plans to motivate their top executives.

Compensation experts argue that three to five-year cash bonus plans are one of the best ways to motivate managers and, at the same time, promote strategic business goals.

"Executives who get annual bonuses tend to win the race but kill the horse," said Laurent Dufétel, a consultant with the Hay Group in Paris.

TONY VERNON-HARCOURT, a partner of Monk Publications in London, publishers of the executive pay surveys, said "The danger of the one-year bonus is that top executives can too easily manipulate one-year results by cutting advertising costs, or not spending as much as they should on research and development."

Long-term bonuses, which are not necessarily tied to the stock price, tend to reward individual performance. Stock options and the stock price reflect the fortunes of the entire company, not necessarily the performance of any individual.

"Stock options are more of a lottery," said Brian Brooks, a consultant with Towers Perrin of New York, which specializes in compensation.

Towers Perrin, however, does not expect long-term cash bonus plans to increase as dramatically in Britain as stock options plans did following the introduction of more favorable tax treatment in 1984.

"Most companies perceive stock option plans as almost a free way to hand out incentives," said Mr. Brooks of Towers Perrin, "whereas long-term cash bonuses make the board feel nervous because they are expensive."

Under current accounting practices, stock options are not charged to earnings whereas cash bonuses are, he said, adding, "Old habits die hard."

Thrift Will Turn Into Bank

Abbey of Britain Plans Share Offer

By Warren Getler International Herald Tribune

LONDON — Britain's second-largest savings and loan, Abbey National Building Society, said Wednesday that it planned a major share flotation within two years, a pioneering move that would make it Britain's sixth-largest commercial bank.

The flotation is expected to raise about \$2 billion (\$3.6 billion), one of the largest British share offerings in recent years. Analysts said the change, the first to be announced by a British building society, reflects the growing competition in British financial services between the societies and commercial banks.

The government recently freed building societies to offer a range of financial services beyond their traditional savings and home loan businesses. However, they are still prevented from competing on equal terms with banks.

For example, current law limits the amount they can raise on wholesale money markets, restricts unsecured lending and insists that their main business remain savings and home loans.

In a move to sidestep these restrictions, Abbey announced that its board had decided to recommend to the society's 7 million members that it become a public company, as permitted under the Building Societies Act of 1986. Abbey's current corporate status is that of a "mutual organization" that has no equity shareholders and plows all profit back into the organization.

It said members would receive preferential treatment when shares are offered, but that details were being discussed with regulators.

That transformation, if approved by a sufficient number of Abbey's borrowers and investors, will mean that the Bank of England will assume regulatory responsibility for the company from the Building Societies Commission.

"This will make Abbey the sixth-largest bank, behind the TSB Group," said Timothy Clarke, an analyst with the brokers Scrimgeour Vickers, TSB, which was formed 175 years ago as a philanthropic savings bank for Scots.

See ABBEY, Page 11



Versions of Hachette's Elle in Spanish, English, Italian, Japanese, French and Chinese.

From Kiosk to Multimedia Giant

By Deborah Wise New York Times Service

PARIS — Professor Louis Hachette saw a business opportunity emerging in the early days of railroads and, in 1826, won the first newspaper concession in Paris stations.

With the profits, he established a press in the heart of the Latin Quarter, employed a young writer named Emile Zola and started publishing books by Victor Hugo and George Sand.

The kiosks and the venerable house that Hachette built still exist, but they are now part of a \$3 billion multimedia giant controlled by an eclectic, expansion-minded entrepreneur, Jean-Luc Lagardère. He not only runs Hachette with its dozens of magazines, a radio station and a weekly television magazine, but also owns a Paris soccer club and controls Matra SA, France's largest maker of military and electronic equipment.

Now Mr. Lagardère is after Grolier Inc., the leading U.S. publisher of encyclopedias. If his takeover effort succeeds, Hachette will become the world's third-largest publisher, after Bertelsmann AG of West Germany and Simon & Schuster, a subsidiary of Gulf & Western Inc.

On Wednesday, Grolier's board unanimously rejected Hachette's \$415 million offer, saying that it was inadequate. Grolier said it still hoped to negotiate an acquisition "on satisfactory terms" and that it was holding

talks with several parties, including Hachette.

Hachette offered \$21 a share on March 13 for the U.S. publisher. But Grolier's stock price had advanced steadily since, closing Tuesday at \$26.375 on the New York Stock Exchange.

Mr. Lagardère took control of an ailing Hachette SA in 1980 amid controversy. As chairman of Matra, he was hardly considered the heir apparent to a literary treasure, albeit a battered one. There were even rumors that the administration of President Valéry Giscard d'Estaing sanctioned the deal to have an ally in the publishing world. After all, Hachette published such widely read publications as Le Journal du Dimanche, a Sunday newspaper, and Télé 7 Jours, a weekly television magazine.

With strong denials, Mr. Lagardère vowed to keep Hachette independent of politics and return it to financial health. He did both.

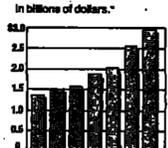
In 1979, the company's finances were stagnant and its bank had removed Hachette's great-grandson from power. "Hachette was like an old venerable lady, very respectable but not very young or dynamic," said Yves Sabourat, vice chairman and chief executive of Hachette, who was Mr. Lagardère's second-in-command at Matra and who is married to a member of the original Hachette family.

Mr. Lagardère, a charismatic leader who had been named ex-

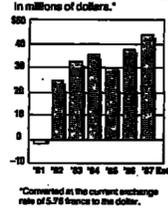
ecutive of the year in 1979 by L'Expansion magazine, brought in a younger management team, invested \$100 million in retool-

See HACHETTE, Page 11

Hachette Sales Climbed



And Earnings Increase



Converted at the current exchange rate of 5.78 francs to the dollar. Source: Company Reports

Oil Prices Rise As OPEC Sets April Meeting

By Youssef M. Ibrahim New York Times Service

PARIS — The president of the Organization of Petroleum Exporting Countries, Rilwanu Lukman, said Wednesday that OPEC's pricing committee of five ministers would meet in Vienna in the first week of April to review the cartel's adherence to production quotas.

Oil markets greeted the news as an indication that OPEC would take some action to address recent weakness in prices. In New York, prices of West Texas Intermediate, the most widely traded U.S. crude, rose 44 cents for May delivery to \$16.81.

Earlier, in London, the price of the benchmark North Sea Brent crude for May delivery jumped by 30 cents to \$15.30.

Mr. Lukman, who is also the Nigerian oil minister, made his announcement at a news conference in Lagos, Nigeria. His cancellation of a news conference Tuesday had caused prices to fall because the market had expected him to announce a price-support strategy.

The OPEC president denied Wednesday that the meeting was scheduled in response to the recent drop in oil prices. Several OPEC officials from countries other than Nigeria voiced surprise at Mr. Lukman's decision. They said that an audit of the cartel's production had fallen short of projections because many countries had not complied with a requirement that they submit their actual output figures to OPEC auditors.

A majority of OPEC officials have argued against holding any meetings, even of the small pricing committee, given OPEC's poor record in enforcing measures intended to support oil prices. Production quotas often have been violated, and fixed prices have sometimes given way to widespread discounts.

Mr. Lukman refrained from saying whether the five-member ministerial committee, which includes Nigeria, Saudi Arabia, Algeria, Venezuela and Indonesia, might recommend a full-scale OPEC meeting.

The authority of the group's president is limited to calling a meeting. Decisions on pricing and production can only be adopted unanimously inside OPEC, and a decision to call for a plenary meeting must be made by all five members of the pricing committee.

Saudi Arabia has let it be known that it is firmly opposed to any new production cuts to support prices. The Saudis rejected a call from Algeria and Venezuela for a 5 percent cut in OPEC production, or the elimination of another 850,000 barrels a day from current production levels. Output by the 13 members of the cartel is running at about 18 million barrels of oil a day.

That level exceeds market requirements by an estimated one million barrels a day, experts say. OPEC's official production ceiling is 15.06 million barrels a day, excluding Iraq.

The Saudis, who have scrupulously observed their OPEC quota of 4.3 million barrels a day, have said that other members should adhere to their quotas before any new measures are approved.

But the Saudi press agency, SPA, reported Wednesday that the Saudi oil minister, Hisham Nazer, had requested an immediate meeting of the pricing committee to discuss the situation in the oil market.

In a statement issued from Riyadh on Wednesday, the Saudi press agency said that King Fahd had been misquoted as confirming Monday that Saudi Arabia granted price discounts. The king said only that an OPEC country can be expected to reduce its production while other oil producers feel free to increase their output, the agency said.

U.S. GNP Grew 4.8% In Quarter

WASHINGTON — The U.S. economy expanded at a 4.8 percent annual rate in the final quarter of last year, even faster than the previous estimate of 4.5 percent, the government said Wednesday. The Commerce Department said the gross national product, the total of a nation's goods and services, grew from October through December at the fastest pace in almost two years as the economy appeared to shake off October's record stock market plunge.

The government also reported that consumer prices rose a modest 0.3 percent in February, indicating that inflation remains mild.

The revision in GNP growth was the second for the fourth quarter. Growth was originally estimated in January at 4.2 percent.

The fourth-quarter growth rate followed growth of 4.3 percent in the July-September quarter and was the fastest quarterly growth rate since an increase of 5.4 percent in the first quarter of 1986. The fourth-quarter data showed that consumer spending and business investment, although depressed, fared better than had been expected. Exports rose faster than previously reported.

Economists said the new report tended to confirm that the United States will enjoy continued economic growth this election year.

The government said exports were rising at an annual rate of 15.9 percent, faster than thought, and that business investment spending had risen by 1.6 percent.

Even with the revisions, more than three-fourths of the increase in GNP came from a huge buildup of unsold business inventories. Separately, the Labor Department said consumer prices rose 0.2 percent in February, reflecting lower food and energy costs.

Food prices fell 0.3 percent for the month, after rising 0.3 percent in January. Energy costs, which had fallen 0.7 percent in January, fell 0.6 percent last month.

Currency Rates

Table of currency rates for various countries including Australia, Canada, France, Germany, Hong Kong, Italy, Japan, etc.

Other Dollar Values

Table of other dollar values for currencies like Swiss franc, British pound, etc.

Forward Rates

Table of forward rates for various currencies.

Interest Rates

Table of interest rates for various currencies and terms.

Key Money Rates

Table of key money rates for various currencies.

Asian Dollar Deposits

Table of Asian dollar deposits for various banks and terms.

U.S. Money Market Rates

Table of U.S. money market rates for various instruments.

Gold

Table of gold prices for various locations and terms.

In Computer Storage Race, Chips Are Gaining Fast on Disks

By Andrew Pollack New York Times Service

SAN FRANCISCO — Computer memory technology is advancing so rapidly that some engineers say that in the next decade silicon chips will begin to replace magnetic disks as the main way of storing information in computers.

Such forecasts are encouraged by several factors. One is that silicon memory chips continue to gain in storage capacity and to decline in the cost per bit stored at a rate faster than magnetic memories.

Today's most advanced memory chip can store 1 million bits of information. But the 4-megabit chip is expected to start trickling onto the market later this year and the 16-megabit chip has already been produced in several laboratories.

By the turn of the century, a single chip will probably store 1 billion bits of information. At eight bits to the byte, that means 125 million bytes, more than six times the capacity of the 20-megabyte hard disk now sold with many personal computers.

Moreover, progress is being made in overcoming a main drawback of most memory chips: their loss of memory once the electric power is turned off. Magnetic disks do not have this problem.

Finding a memory chip that retains its memory without electrical power, but still remains fast and cheap has been the chip equivalent of the Holy Grail. Now, two new kinds of memory chips — flash memories and ferroelectric memories — offer the promise of meeting these requirements.

Silicon enthusiasts say that at the rate their industry is developing, silicon will approach the cost per bit of magnetic storage by the end of the century.

Such projections, however, elicit "nothing but gales of laughter from the disk drive manufacturers," said James N. Porter, editor of Disk-Trend Inc., a market research firm that follows the disk drive industry. Magnetic disks account for the vast majority of bits stored because they are far cheaper than chips. A 20-megabyte hard disk costs a few hundred dollars. Storing the same

Tokyo Shoppers Will Test 'Pocket Electronic Bank'

Compiled by Our Staff From Dispatches

TOKYO — Visa International said Wednesday it would launch a three-year test here of its "SuperSmart Card," an electronic credit card with a built-in computer and keyboard that allows card holders to monitor their account balances and receive authorization for purchases without use of a terminal.

Visa, which is based in San Francisco and is the world's largest consumer payments system, said the test would involve 120 Tokyo shoppers and begin in June. Similar tests will be conducted in the United States, Canada and Europe later, the company said.

Kuhachiro Furuya, Visa International's general manager for Japan, called the card "a pocket electronic banking system." The new system was developed by Visa in partnership with Toshiba Corp., the Japanese electronics giant. The card allows consumers to purchase goods without the use of a store's computer because the card has a built-in, tamper-proof memory of the holder's balance, the developers said.

The card holder can monitor his account by punching a secret password. The card has a conventional integrated circuit but includes a battery, a command panel with 20 buttons and a 16-digit liquid crystal display unit not found on existing cards.

The card allows users to check whether they can transfer funds electronically between up to four types of bank accounts. An additional function for users abroad will allow currency transfers to be arranged, but the actual transfers will still require a terminal.

Telephone links to be introduced in October will allow users to reserve or book flights through Japan Air Lines and buy and sell Japanese stocks through the central computer of Daiwa Securities Co. of Japan.

These additional functions will require a special telephone that currently costs 200,000 yen (\$1,575). But Nippon Telegraph & Telephone Corp. of Japan estimates that the telephone's price could fall as low as 30,000 yen (\$235) once mass production begins.

The experiments are aimed at standardizing electronic cards and developing new areas of services for customers, Mr. Furuya said. A group of 14 corporations and a banking group organized an association to participate in the testing of the new card. The Bank of Japan is acting as an observer.

(UPI, AFP, Reuters)

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Wednesdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

17 Month High Low Stock Div Yld PE St. High Low Close Chg

Table with columns: 17 Month High Low Stock Div Yld PE St. High Low Close Chg. Lists various stocks and their performance.

(Continued)

Table with columns: 17 Month High Low Stock Div Yld PE St. High Low Close Chg. Continuation of stock listings.

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U.S. Futures Via The Associated Press

Table with columns: Month 23, Open High Low Close Chg. Lists various futures contracts.

Grains

Table with columns: Month 23, Open High Low Close Chg. Lists grain futures.

Livestock

Table with columns: Month 23, Open High Low Close Chg. Lists livestock futures.

Currency Options

Table with columns: Month 23, Open High Low Close Chg. Lists currency options.

Financial

Table with columns: Month 23, Open High Low Close Chg. Lists financial instruments.

Spot Commodities

Table with columns: Month 23, Open High Low Close Chg. Lists spot commodity prices.

DM Futures Options

Table with columns: Month 23, Open High Low Close Chg. Lists DM futures options.

U.S. Treasuries

Table with columns: Month 23, Open High Low Close Chg. Lists U.S. Treasury securities.

Food

Table with columns: Month 23, Open High Low Close Chg. Lists food futures.

Metals

Table with columns: Month 23, Open High Low Close Chg. Lists metal futures.

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U.S. Treasuries

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EURODOLLARS (NAM)

Table with columns: Month 23, Open High Low Close Chg. Lists Eurodollars.

BRITISH POUND (NAM)

Table with columns: Month 23, Open High Low Close Chg. Lists British Pounds.

FRENCH FRANC (NAM)

Table with columns: Month 23, Open High Low Close Chg. Lists French Francs.

GERMAN MARK (NAM)

Table with columns: Month 23, Open High Low Close Chg. Lists German Marks.

JAPANESE YEN (NAM)

Table with columns: Month 23, Open High Low Close Chg. Lists Japanese Yens.

INDONESIAN RUPIAH (NAM)

Table with columns: Month 23, Open High Low Close Chg. Lists Indonesian Rupiahs.

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Table with columns: Month 23, Open High Low Close Chg. Lists Indonesian Rupiahs.

Judge Approves Plan To Reorganize Texaco

WHITE PLAINS, New York — A federal judge approved Texaco Inc.'s \$5.6 billion financial reorganization plan Wednesday, clearing the way for the oil giant to emerge from the biggest U.S. corporate bankruptcy case.

Calmat, a Cement Firm, Gets \$1.2 Billion Bid From Brierley

LOS ANGELES — Calmat Co., a U.S. cement company, said Wednesday that it had received an unsolicited, conditional proposal from Brierley Investments Ltd. of New Zealand to acquire Calmat for \$40 per share in cash, valuing the company at \$1.2 billion.

NYSE High-Lows

Table with columns: NEW HIGHS 22, NEW LOWS 4. Lists high and low performing stocks on the NYSE.

AMEX High-Lows

Table with columns: NEW HIGHS 10, NEW LOWS 12. Lists high and low performing stocks on the AMEX.

To our Readers in Spain.

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For details contact: Madrid, Salvador Vidal, tel.: Madrid 250-38-84. Barcelona, Int'l Press Service, tel.: Madrid 733-94-49.

Paris Commodities

Table with columns: March 23, Close, High, Low, Bid, Ask, Chg. Lists Paris commodity prices.

London Commodities

Table with columns: March 23, Close, High, Low, Bid, Ask, Chg. Lists London commodity prices.

Spot Commodities

Table with columns: Today, Prev. Lists spot commodity prices.

U.S. Treasuries

Table with columns: March 23, Disc. Rate, Yield, Prev. Yield. Lists U.S. Treasury securities.

Dividends

Table with columns: Company, Dividend, Payout Ratio. Lists dividend-paying companies.

London Metals

Table with columns: March 23, Close, High, Low, Bid, Ask, Chg. Lists London metal prices.

DM Futures Options

Table with columns: March 23, Bid, Offer, Yield, Prev. Yield. Lists DM futures options.

U.S. Treasuries

Table with columns: March 23, Disc. Rate, Yield, Prev. Yield. Lists U.S. Treasury securities.

Company Results

Table with columns: Company, Revenue, Profit, P/E Ratio. Lists company financial results.

London Metals

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DM Futures Options

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U.S. Treasuries

Table with columns: March 23, Disc. Rate, Yield, Prev. Yield. Lists U.S. Treasury securities.

S&P 100 Index Options

Table with columns: Month 23, Bid, Offer, Yield, Prev. Yield. Lists S&P 100 index options.



The Global Newspaper.

BUSINESS ROUNDUP

BAT Profit Is Flat at £1.39 Billion

LONDON — BAT Industries PLC, the British-based conglomerate with interests in tobacco, retailing and insurance, said Wednesday that its profit in 1987 was flat at £1.39 billion (\$2.54 billion) compared with the previous year, as the stronger pound reduced earnings by £192 million.

Nonetheless, the company raised its dividend by 18 percent to 16.90 pence, saying that the results showed a substantial underlying advance in its business.

Shares in BAT rose 9 pence to close at 464 pence on the London Stock Exchange, where share prices generally were falling.

Mazda USA Chief Assails American Parts Suppliers

ANN ARBOR, Michigan — The head of Mazda Motor Corp.'s U.S. subsidiary has harshly criticized its American parts suppliers, saying that U.S.-made parts have three to five times more defects than their Japanese counterparts.

Ending Trend, U.S. Car Sales Decline 2.3%

DETROIT — Sales of U.S.-made cars were down 2.3 percent in mid-March from 1987 levels, ending a trend of higher sales that began early this year.

The eight companies building cars in the United States reported combined U.S. sales of 189,245 cars in the March 11-20 period.

The annual rate for the industry during the period was a relatively weak 6.4 million cars, the same as a year ago.

Générale de Banque Net Up Despite Loss on Share Issue

BRUSSELS — Générale de Banque SA, Belgium's biggest commercial bank, said Wednesday that its consolidated group net profit rose 8.7 percent to 6.4 billion Belgian francs (\$180.8 million) in 1987 despite losses incurred in supporting Société Générale de Belgique SA against a potential takeover.

for which the bank paid 3,350 francs each, were sold in December and January, before the Italian financier Carlo de Benedetti launched his hostile bid for Générale de Belgique.

Profit from the paper manufacturing division fell by about 3.7 percent, hit by higher world pulp prices, BAT said.

ABBEY: U.K. Thrift to Sell Shares, Become a Bank

(Continued from first finance page) west public in 1986 and has been expanding its financial services.

five years after becoming a bank, as no shareholder will be allowed to own more than 15 percent.

Kawasaki and NKK Agree to Cut Capacity

TOKYO — Kawasaki Heavy Industries Ltd. and Nippon Kokan K.K. have signed an agreement to link their shipbuilding operations and jointly cut production capacity, an NKK spokesman said Wednesday.

file their plan Thursday with the Japanese Transport Ministry. If the plan is approved, they will merge sales teams and cooperate in design, technological development and materials procurement.

extension of their production cartel through the year ending March 31, 1989, a spokesman for the Shipbuilders' Association of Japan said.

The bank's consolidated assets stood at 2.175 trillion francs at the end of 1987, a 4.6 percent gain from 2.080 trillion francs at the end of 1986.

Each bank will continue to operate independently in its home market, but their holdings will be pooled in a company called Tuba Holding International, of which each bank will hold 50 percent.

Swedish Timber Group Rejects Takeover Offer

STOCKHOLM — The board of Gränneverken AB, the Swedish timber and electricity company, said Wednesday that a 5.7 billion kronor (\$951 million) takeover bid from three rival Swedish concerns was too low.

With assets of £27 billion, 6 million depositors and 1.5 million home-loan clients, Abbey will be protected against a takeover for

Standard, or fails to purchase shares by May 2, Black & Decker can pursue an acquisition of the building supplies company.

vote on the proposal, and 75 percent of that minimum must approve the plan. That procedure, and regulatory approval by the Bank of England, could take 18 months to two years.

Black & Decker Drops Standard Bid

TOWSON, Maryland — Black & Decker Corp., the world's largest producer of power tools, has terminated its bid of \$77 a share, or \$2.4 billion, for American Standard Inc. American Standard endorsed a cash tender offer last week of \$78 a share, or about \$2.5 billion, from Kelsco & Co., a New York investment banking firm that specializes in leveraged buyouts.

Intel Signs Chip Accord With Micron

SAN FRANCISCO — Intel Corp. announced Wednesday an alliance with Micron Technology Inc. that will help pave the way for Micron to increase its production of computer memory chips.

CHIPS: In Computer Storage, They Are Gaining Fast on Magnetic Disks

(Continued from first finance page) are also pushing flash memory technology.

There are problems with flash memories, however. While information can be read from the chips quickly, it takes a long time to erase and record information.

Flash memories use what is known as a floating gate. It can be envisioned as a little bucket isolated above the chip that is either filled with electrons or is empty, indicating a one or a zero.

Magnetic disks use this technology as well. Iron oxide particles on each little spot on the disk align themselves so that their north poles point in one of two directions, indicating a zero or a one.

Under the agreement, Intel will make long-term purchases of dynamic random access memory chips, or DRAMs, from Micron, which is based in Boise, Idaho. Intel, of Santa Clara, California, will use the chips for its own products, including circuit boards for computers, or resell the chips.

Flash memories are used in a variety of applications. They are used in microcomputers, video cameras, and other electronic devices.

The second contender is the ferroelectric memory, which is being pursued by two start-up companies, Ramtron Corp. of Colorado Springs and Krysalis Corp. of Albuquerque, New Mexico.

counterpart of ferromagnetism. When it is placed in a magnetic field, its atoms align themselves with the field, so that all north poles point in one direction and the south poles in the other. Even when the original magnetic field is removed, the iron retains its magnetization.

Could ferroelectrics be the Holy Grail? Dataquest, a market research firm that follows the semiconductor industry, has pronounced them "the memory the market always wanted."

Micron shares rose \$1.50 to \$21.25 in over-the-counter trading, after falling \$7.50 cents to \$20.625. The deal assures Intel a steady source of the memory chip, which is in short supply because of high demand and a technological shift to a new generation of products.

HACHETTE: From Railway Kiosk to Media Giant

(Continued from first finance page) ing printing facilities and created an audiovisual sector.

Did the intellectual Left Bank spirit survive? It seems so. "Our part of the company is the same, only now as a whole we have better financial results," said François Guérard, an editor in the encyclopedia subsidiary who has worked for the company through the transition.

Hachette changed from a money loser, with sales of 7.8 billion French francs in 1981, to a profitable concern, with sales of 17 billion French francs (\$2.96 billion) in 1987. Earnings this year are estimated at 250 million French francs, up 11.6 percent from last year.

of our business," Mr. Sabourret said. The bid for Grotier came only a month after the merger of the book publishing units of CEP Communication and Les Presses de la Cité, controlled by the French financial and media group Générale Occidentale, into a \$1.2 billion operation.

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Advertisement for International Classified, providing classified advertising services.

Advertisement for Low Cost Flights, offering budget travel options.

Advertisement for Matra Datavision, featuring technical writers and recruitment information.

Advertisement for Radio Free Europe Radio Liberty, featuring recruitment information for senior analysts and analytical specialists.

CURRENCY MARKETS

Pound Firms, Closes Under 3.11 DM

NEW YORK — The British pound rose Wednesday against the Deutsche mark in nervous trading in New York and Europe. Despite reports of light intervention from the Bank of England...

Table with 3 columns: Currency, Bid, Ask. Includes Deutsche mark, Japanese yen, Swiss franc, French franc.

Dealers said the pound remained attractive because of its relatively high interest rates. A similar attraction has been boosting the Australian and Canadian dollars...

prices for February and a modest upward revision in gross national product growth. Fourth-quarter U.S. GNP figures showed the economy growing at a revised 4.8 percent annual rate...

Interest-Rate Differential Boosts Australian Dollar

SYDNEY — The Australian dollar on Wednesday hit its highest level against the U.S. dollar in nearly two years, and economists said the Australian currency appeared ready to move higher...

Shed Inflation Fears, Europe Is Told

GENEVA — Western Europe, having curbed inflation, now must revive its stagnating economy in order to create more jobs, increase trade and help head off recession...

million, added the 34-nation ECE, which groups all European nations including the Soviet Union and the United States and Canada. "Western Europe, therefore, appears to be caught in a low growth trap..."

need to strengthen the growth of their productive capacities, not allow them to weaken. The survey said economic growth in the 34-nation region as a whole slackened to about 2.5 percent last year...

Bundesbank Director Reproaches Bonn for Tax on Securities Trading

By Ferdinand Protzman International Herald Tribune FRANKFURT — One day after Chancellor Helmut Kohl's cabinet approved a controversial tax reform program, a Bundesbank director...

government's 20 billion Deutsche mark (\$11.76 billion) tax reform program, announced Tuesday, included a revision of the withholding tax. Under the revision, due to take effect in 1989, the withholding tax would not be applicable to accrued interest on bonds...

"abolish the turnover tax in the next legislative period." "Banks, particularly foreign banks, planned accordingly," Mr. Köhler said. "They were disappointed. But not only that, this withholding tax was introduced. What hurt is the combination of the unfulfilled promise to lift the turnover tax and unexpected introduction of the withholding tax..."

from the turnover tax and withholding tax are homemade," he added. "A securities turnover tax doesn't have to be disruptive if there is harmonization of technical and tax factors among the most important financial centers," he added. "But this has not happened. In London, foreign securities are exempted from the turnover tax applied there. This gives stock trading in London an advantage over the German exchanges..."

investors to buy and trade German securities in other financial centers. Mr. von Rosen said the tax also meant the West German financial center cannot offer "the same palette of investment opportunities as other centers." He called for the creation of an options exchange to allow investors "the possibility of hedging their investments..."

BLOC: East European Growth Slowed Sharply in '87

(Continued from Page 1) higher level of indebtedness," which they have been reluctant to assume. East European net debt rose from roughly \$65 billion to \$75 billion last year, and Soviet debt rose from \$23 billion to \$25 billion, largely because of the decline in the dollar's value, the report said...

plemented in several Eastern countries. On the trade front, the fall of world oil prices and the depreciation of the dollar were "the major immediate difficulties confronting the Soviet Union," the survey said. As the value of its exports fell, the Soviet Union increased export volume by 21 percent in 1986 and by 5 percent in the first three quarters of 1987, largely by boosting sales of crude oil and natural gas...

sponsible for holding back overall growth in the Eastern economies last year. In Eastern Europe, agricultural production fell by 0.5 percent, after a 5.3 percent rise in 1986. Soviet farm output, which also expanded by 5.3 percent in 1986, rose by only 0.2 percent last year. In the industrial sector, the slowdown was less pronounced. Soviet gross industrial output increased 1.8 percent last year, 1 percentage point less than in 1986, but in line with the official target...

Wednesday's OTC Prices NASDAQ prices on 4 p.m., New York time. This list, compiled by the AP, covers the 1,000 most traded securities in terms of dollar volume.

Table with columns: Symbol, Price, Change. Lists various OTC stocks like AMB, AIG, ALC, etc.

Table with columns: Symbol, Price, Change. Lists various OTC stocks like ABB, ABE, ABE, etc.

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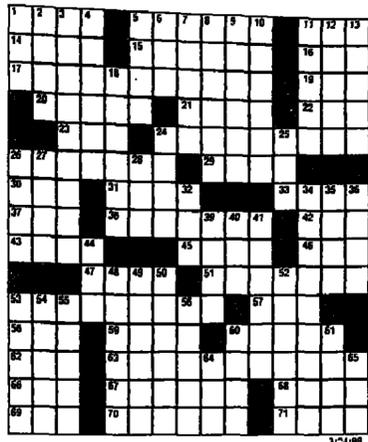
Table with columns: Symbol, Price, Change. Lists various OTC stocks like ABE, ABE, ABE, etc.

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Sales figures are unaudited. Yearly figures and lower priced securities are unaudited. Yearly figures and lower priced securities are unaudited. Yearly figures and lower priced securities are unaudited...

WORLD STOCKS IN REVIEW IN THE HT EVERY MONDAY. A CONCISE OVERVIEW OF TRADING ON MAJOR WORLD STOCK MARKETS DURING THE PREVIOUS WEEK AND A LOOK AT LIKELY DEVELOPMENTS AHEAD.



- ACROSS**
- 1 Vulgarian
 - 5 Footless
 - 11 Crazy
 - 14 Melancholy
 - 15 Mohammed's daughter
 - 16 Uria hero
 - 17 Porter on space travel
 - 19 Command to Fido
 - 20 Mucilaginous
 - 21 "Anthem" author
 - 22 Only's partner
 - 23 Ga. neighbor
 - 24 Porter on sauerbraten
 - 26 Intimate group
 - 29 Rational
 - 30 G.I. address
 - 31 An Adams
 - 32 — effort
 - 37 Emulate
 - 38 "Too...": Porter on Sumatra
 - 42 Lilly of pharmaceuticals
 - 43 Held or Christie
 - 45 Dumbbell
 - 46 Modernist
 - 47 Maxims
 - 51 Tenting
 - 53 Porter on penthouse elevators
 - 57 Modern art
- DOWN**
- 187 qts. of cranberries
 - 2 Designer Cassini
 - 3 "Get...": Porter on ball-jumping
 - 4 Do some cobbling
 - 5 "... man is not...": Pope
 - 6 Kind of window
 - 7 N Japanese haddock
 - 8 Indian bigwigs
 - 9 Actress Blake
 - 10 One of Rocke's Four Horsemen
 - 11 Cookout favorite
 - 12 McNichols, e.g.
 - 13 Clemson footballer
 - 18 Dangerous Detroit or Decatur
 - 24 Fishgirth
 - 25 Dakota Indian
 - 26 Roberto's residence
 - 27 Floyd won it in '86
 - 28 Sweet one of song
 - 32 Objective
 - 34 "Don...": Porter on claustrophobia
 - 35 Grocery item
 - 36 Watts event: 1965
 - 39 German cheer
 - 40 Harem room
 - 41 Love apple
 - 44 Thus: Sp.
 - 48 Throat ailment
 - 49 "... earth?": (incredulity phrase)
 - 50 Nap
 - 52 U.S.S.R. newspaper
 - 53 Insurgent
 - 54 Steamrod
 - 55 Sky Dragon
 - 56 Cod or haddock
 - 60 Contract feat
 - 61 Gunpowder
 - 64 Methyl ending
 - 65 Many wks. of horsemen

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DENNIS THE MENACE



"MOM, IS GRANDPA STILL UNDER WARRANTY?"

JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DEWPI

TANBO

ENTINY

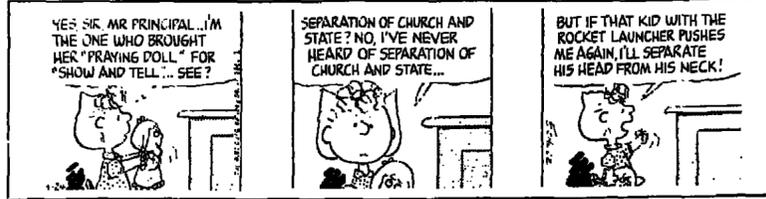
AXALGY

Answers: AN, What the cowboys were hoping to get out of the rodeo - A FEW BUCKS

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Austria	13	4	Bangkok	35	25
Belgium	13	5	Hanoi	28	21
France	13	5	Manila	32	24
Germany	13	5	Seoul	11	3
Italy	13	5	Tokyo	15	7
Japan	13	5			
Spain	13	5			
UK	13	5			
US	13	5			

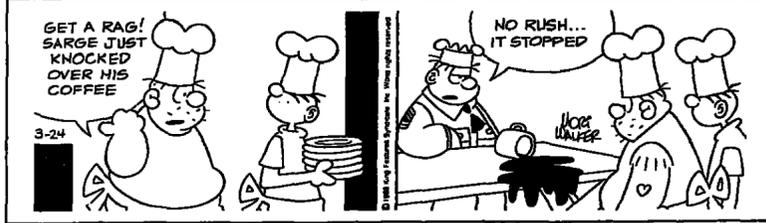
PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

CLAIMING THE HEAVENS: The New York Times Complete Guide to the Star Wars Debate

By Philip M. Boffey, William J. Broad, Leslie H. Gelb, Charles Mohr and Holcomb B. Noble. 299 pages. \$17.95. Times Books, 201 E. 50th Street, New York, N. Y. 10022.

Reviewed by Kosta Tsipis

"CLAIMING THE HEAVENS," a multi-author compilation of The New York Times' coverage of the origins and circumstances of Star Wars, reflects and propagates the confusion that has surrounded the Strategic Defense Initiative (SDI) since its inception. The problem comes, in the book as in the public debate, with the technical details. Because the scientific and technological principles on which SDI will rise or fall as an effective defense system are beyond the capacity of the authors to judge for themselves, their reports are necessarily derivative of the judgments of others. Therefore what they record reflects whom they have spoken with and what their impressions of their sources were.

Because the chapters are derivative of articles written for the Times over the years since the announcement of SDI in 1983, some have a date quality by now. The first two chapters duplicate material in a book published three years ago by one of the authors (William J. Broad's "Star Wars") on the young scientists of the Livermore weapons lab, but are nonetheless interesting reading in comparison to other, very conservative, defense-minded Hertz Foundation, provider of fellowships for many of the best young weapons.

Solution to Previous Puzzle

SPIRO	ALACK	SIS
OPARD	SARAB	TNT
ONEMAN	MEDE	ACA
RELAY	NEEDED	
GLAD	GREAT	RENT
SATVR	TNS	TESSA
AWE	THAD	TRATE
IS	ANOTHER	RIX
SOREL	WAIN	BIK
KAREN	ELI	DIAMA
ELI	BLISS	INAT
LEO	MAN	STUNK
ERE	ELEMI	GENRE
RIS	SEDAN	EDDIE

BRIDGE

By Alan Truscott

HERE is no recorded case of a major bridge event being rained out, but it nearly happened recently at the Adria Motor Inn in Bayside, Queens. When the evening session of grand national knockout play was about to start, water began pouring out of the ceiling. Players and officials hurriedly moved to another area.

The eight surviving teams contested the quarter-finals at the Cavendish Club in Manhattan. The midpoint margins by captain were: Jim Becker led Michael Camp by 20 imps; James Hurwitz trailed David Berkowitz by 74; Ira Ewen led Saul Bronstein by 6; Victor Mitchell trailed Alan Sontag by 9.

After the auction shown, Harold Libe doubled and led two top clubs. His partner, David Berkowitz, ruffed the third round of clubs and avoided the routine return of the heart queen.

East returned the deuce, West drew the right conclusion, and after winning the heart ace, he played his remaining club. This allowed his partner to kill dummy's ten with a ruff, and South had to lose a diamond trick eventually for down two.

In the replay East-West tried five hearts when the bidding reached four spades. The defense was Lisa Berkowitz and Joyce Libe was exactly right, for North led a spade and South shifted to a diamond. North played the nine, forcing the queen, and the defense eventually scored two diamond tricks for down one. The result was 9 imps for the Berkowitz team.

Notice that routine defense would have given West a chance in five hearts. If two rounds spades are led, for example, declarer can maneuver an ace play. The play may go: club spade; two top clubs; ruff heart queen to ace; club heart jack; diamond to heart king.

WEST: ♠ A 10 8 4 2, ♥ 7 5 3, ♦ 7 4, ♣ A J 9 7. EAST: ♠ Q 10 9 8 7 6 5, ♥ 6 4 3 2, ♦ 6 5 4 3 2, ♣ K J 10 9 8 7 6 5.

World Stock Markets

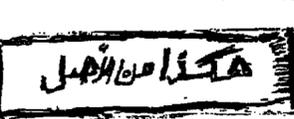
1 in Agents France Presse (Quoting prices in local currencies, March 23)

Country	Index	Change
Amsterdam	356.50	+7.50
Bombay	1275.00	+15.00
London	184.15	+0.15
Paris	1832.50	+12.50
Tokyo	176.25	+0.25

Company	Price	Change
Amgen	27.50	+0.25
Boeing	42.00	+0.50
IBM	125.00	+1.00
Microsoft	35.00	+0.50
Oracle	28.00	+0.25

THURSDAY'S FORECAST - CHANNEL: Partly FRANKFURT: Partly FRANKFURT: Partly FRANKFURT...

RUSSSELL BAKER INTERNATIONAL



SPORTS

Even at the Top, the Little Guys Have a Steep Climb

By John Feinstein Washington Post Service

WASHINGTON — The myth of the NCAA basketball tournament is that all 64 teams have a chance when the ball goes up in the opening round. The reality is something else again.

Yes, there are upsets. Richmond and Rhode Island in 1988 are South-west Missouri State and Austin Peay in 1987. Cleveland State and Kansas-Little Rock in 1986. But there is little doubt that when the tournament committee sets up the field, schools from the rich and powerful conferences are put in the best position to advance, and to win.

Consider this year's draw: The 16 bottom-seeded teams all come from conferences that received only one bid — an automatic one — into the field. Only two schools from a one-bid conference, Loyola Marymount and Xavier, were seeded higher than 13th. Loyola, with the nation's highest-scoring offense and longest winning streak, was seeded 10th in the West; Xavier with a 26-3 mark, was No. 11 in the Midwest.

There is no question that teams like ours are caught in a Catch-22 situation," said Don Corbett, North Carolina A&T's coach. "We can't get a higher seed because we've never won in the NCAA. But it's very hard for us to win because when you're a low seed you play a very high seed — a very tough team."

Given that A&T plays in a weak league and has an 0-7 record in the NCAA tournament, its spot as the No. 14 seed in the East could be justified in spite of a 26-2 regular season record. But other teams from non-name leagues that have won games in the tournament have not been rewarded with improved future seedings.

Take Richmond, for example. The Spiders come out of the Colonial Athletic Association, a league few people outside of Maryland, Virginia and North Carolina know anything about. Yet in the 1980s, the CAA has produced teams like James Madison, which beat Georgetown one year and Ohio State the next; Navy, which beat LSU in 1985 and reached the final eight in 1986, and Richmond, which beat Auburn in 1984 and so far this time has beaten Indiana and Georgia Tech.

In 1986, when it finished second to 30-5 Navy, Richmond became the first CAA team to receive an at-large bid to the tournament. It even received a No. 11 seed, losing a tough first-round game to sixth-seeded St. Joseph's. "I thought then that we had made a breakthrough because of what the league had accomplished," said Coach Dick Terrant. "I was really surprised when we were seeded so low this year."

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This year, Richmond was 24-6 in the regular season. It won at Georgia Tech and at Arizona State (ear-

ly, when ASU was playing well) and played North Carolina to the wire. It also beat teams NIT teams like Virginia Commonwealth and Old Dominion. And yet the Spiders were seeded 13th.

"Strength of schedule has become really important the last few years," said the ACC's commissioner, Gene Corrigan, who was on the basketball committee for six years. "More and more, the com-

mittee looks at who you've played as much as anything."

That was done to discourage teams from padding their schedules with patties to get 20 victories. But the trend may have gone too far. Richmond certainly played a respectable schedule. Yet in spite of its record, it was seeded well below teams like Maryland (No. 7); Georgetown (No. 8); Louisiana State (No. 9) and St. John's

(No. 11). All four had mediocre records but had beaten some strong teams and, apparently just as important, had lost to strong teams. If you play in a big-name league, you will play big-name teams. Even if you lose to those teams — St. John's lost eight of its last 11 pre-tournament games — you still will be seeded higher than the schools from the smaller conferences.

And yet for several years now, schools from smaller conferences have proven they merit more consideration. This year there is more proof. Murray State beat North Carolina State and scared Kansas to death; Richmond has pulled its upsets, and Rhode Island beat Missouri and Syracuse.

Arkansas State Nips Stanford, 60-59, On Free Throw With 00:00 on Clock

Compiled by Our Staff From Dispatches

STANFORD, California — Rhon Johnson sank a free throw after time expired Tuesday night to give Arkansas State a 60-59 victory

over Stanford in the second round of college basketball's National Invitation Tournament.

Stanford led by 59-56 with just over two minutes left when Johnson

Tate hit a free throw and followed with a rebound shot to tie the score.

ASU called time-out with 19 seconds left and then held the ball until Johnson was fouled by Howard Wright with the clock showing 00:00 but before the buzzer had sounded.

After Stanford called two time-outs, trying to rattle the reserve guard, Johnson calmly sank the first of two shots with a standing-room-only crowd screaming.

Stanford led several times in the second half, but missed five free throws — four by center Greg Butler — in the closing minutes.

Tate scored 19 points to lead ASU. Todd Lichti had 23, including 14 in the second half, to pace the losers.

It was Stanford's first-ever national tournament loss. In the school's only other postseason appearance, it won the NCAA championship in 1942.

In the only other second-round game won by a visiting team, Dana Barros had 32 points, 5 rebounds and 6 assists to lift Boston College to an 86-81 triumph over Evansville.

In home-court victories Tuesday night, it was Colorado State 71, Houston 61; Middle Tennessee State 69, Georgia, 59; Ohio State 86, Cleveland State 80; New Mexico 78, Oregon 59, and — knocking out the defending champion — Virginia Commonwealth 93, Southern Mississippi 89.

Friday night's quarterfinals will have Virginia Commonwealth at Connecticut, ASU at New Mexico and Arkansas State at Colorado State.

On Saturday, Boston College is at Middle Tennessee State. (UPI, AP)



Jerry Francis contributed 21 points to help Ohio State down Cleveland State, 86-80 in an NIT second-round Tuesday night.

Svet Wins Final Race, World Cup Giant-Slalom Title

Mateja Svet of Yugoslavia won the sixth and final women's giant slalom of the season Wednesday in Saalbach, Austria, clinching the World Cup title in that event. With a combined clocking of 2 minutes, 13.91 seconds, Svet amassed 87 points in the discipline and overtook Frenchwoman Catherine Quinnet, who finished second with 78. Quinnet led the standings going into the finale; she needed only a moderate showing to win but could not do better than 24th. Svet, the slalom silver medalist at last month's Olympics, said she'd had trouble motivating herself after a hard season of racing. "It wasn't so easy to get back into the swing after Calgary," she said. "But today I just wanted to ski well, ski a good race. It was a beautiful day, the conditions were great. I'm happy."

India Pulls Out of Cup Match in Israel

NEW DELHI — India will not play a team from Israel for Davis Cup competition next month to protest "repression and atrocities" against Arabs in the occupied territories. Prime Minister Rajiv Gandhi announced Wednesday.

Israel and India were scheduled to play a Davis Cup best-of-five world group relegation series in Tel Aviv beginning April 7. For refusing to play, India is subject to a 10,000 fine and possible suspension from the 1989 Davis Cup competition by the International Tennis Federation.

Gandhi told the lower house of parliament that India would have sent a team had Israel agreed its request for a "neutral" venue.

In Jerusalem, Zvi Meyer, secretary of the national tennis association, said, "This is a shock. We did not want to win this way."

According to United Nations figures, 107 Palestinians have been killed by Israeli soldiers or settlers since protests began last December in the Israeli-occupied West Bank and Gaza Strip. One Israeli soldier has been slain.

India does not have diplomatic relations with Israel, but Israel maintains a consulate in Bombay. A leading member of the Non-Aligned Movement of nations, India has close ties to Arab countries. Last July, after much debate, India hosted a cup world group quarterfinal against Israel. India won, 4-0; it went on to the final, in which it was trounced by Sweden. This year, India lost its first world group series against Yugoslavia. (AP, UPI)

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SCOREBOARD

Basketball

Table with columns for Eastern Conference, Central Division, Western Conference, Midwest Division, and Pacific Division. Lists teams and their records.

Hockey

Table with columns for NHL Standings, WALES CONFERENCE, and CAMPBELL CONFERENCE. Lists teams and their records.

Figure Skating

World Championships

Table with columns for Ice Dance (At Original Set Partners) and Pairs (Short Program). Lists names and scores.

Escorts & Guides

Table listing various escort and guide services with contact information.

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GA Leaders

Table listing Georgia Athletic Leaders with names and statistics.

World Cup Skiing

Table listing World Cup Skiing results for men's and women's giant slalom.

Preseason Baseball

Table listing Preseason Baseball results for various teams.

Tennis

Table listing Tennis results for men's and women's events.

U.S. Cycling Rookie Bails Out of Europe

By Samuel Abt International Herald Tribune

Nothing went right for Mike Chavez in the two months after he moved from the United States to Italy to start his first season as a professional bicycle racer. Climate, food, water, even the air he labored to breathe on training rides weakened him.

"Ever since I've been in Italy I've been fighting illness," he said after a recent stage of the Tirreno-Adriatico race across Italy. "In the past few days, my stomach has been grinding and I haven't been sleeping well. My health just isn't up to par."

So this week Chavez, 23, went back home on official leave, planning to see a doctor and visit his parents in New Mexico. "I'll be back," he promised bravely. "It's just kind of go home, recuperate, get my fitness back up and then come back here."

Perhaps it really will work out that way. During his first season in Europe, Greg LeMond fled months of misery by returning to the United States, rebuilding his morale before coming back to Europe and beginning to win the races that led to his victory in the 1986 Tour de France.

LeMond was the exception. Each year a handful of American bicycle riders come to Europe to seek the glory and wealth few can find at home, where racing is still a

minor sport. Almost unanimously, the Americans find European life too demanding, too different, too foreign. After a season or two they are back home. "The first year or two in Europe are the hardest part, just being in a different life," LeMond has said.

He gets no quarrel from Chavez, of the little-known Selca team. "I've been brought into reality," he said in his hotel dining room after the day's race from Cassino to Pagnola in the Abruzzi. Staring the stage in 176th place among the 177 riders, Chavez dropped out during the sole and undemanding climb.

"It was a hard stage," he said. "They're all hard when you feel bad. Bike racing is a humbler. American people say bike racing in Europe is as big as football and baseball and basketball, and it's actually bigger. Much harder."

His results have been good in other seasons, Chavez said. He began racing at 17 in Colorado, where he had moved to become a ski racer. At 18 he was ranked 10th in the United States among downhill skiers, he explained, adding, "It turned out I was a better bike racer than ski racer."

In 1984, he visited his brother Dennis, who was stationed with the U.S. Air Force in Kaiserslautern, West Germany, and began racing there as an amateur. Last year, unhappy with his progress in U.S. races, he returned to West Ger-

many. "Things were very good for me. I raced very well, got good results. I'm mostly a sprinter but in the last year or two, I've been able to stay with the climbers."

An official of the Cicloclina company, which makes bicycle accessories, spotted Chavez and recommended him to Selca, a small, low-budget team that races almost exclusively in Italy (the modest Tour of Denmark will be its major foreign excursion).

From the day he arrived in Sicily on Jan. 15, Chavez had problems. "I got really sick — seven days in bed — just before the Giro of Sicily and wasn't able to race at all. The climate, food and a little bit of water I drank had something to do with it."

"When I was in Germany I had no problems. Here the climate's been difficult, hot and cold, hot and cold again. Also I'm used to a real dry climate and it's very wet here."

He lives in a small town outside Imola, near Bologna, where training is difficult. "The air isn't very good because there's a lot of farmland and the farmers just burn all their fields off. And all the cars, it seems they all burn gas into the air. I'm used to Colorado, where if you're in a 100-mile ride and if three cars come by blowing smoke, you're upset. Here you're lucky if a car goes by and you're happy."

"Professional racing is a whole different thing from amateur racing. I've learned that quick. You don't just turn pro, you don't just say 'OK, I'm a pro now.' There are so many good riders, so many riders who can win the race."

Was he simply homesick? "I did feel that at first," he admitted. "Here, just communicating was a very big problem. Home's a great place, but this is what I want to do. I want to race."

Swimmer Evans Sets Mark in 800

ORLANDO, Florida — Freestyler Orlando Evans set an 800-meter world record at the U.S. swimming championships here Tuesday night.

Timed in 8 minutes, 17.12 seconds, Evans now holds world records in the 400, 800 and 1,500.

The 800 mark has changed hands three times in nine months after Australian Tracey Wickham's 8:24.62 had stood from 1978 to 1981. It was broken last July in 8:22.44; East German Anke Mohring swam an 8:19.53 a month later.

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Pages 16 & 11 FOR MORE CLASSIFIEDS

